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Global Leadership Vacuum

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Europe Incapable, America Unwilling

An Analysis By Gregor Peter Schmitz in Munich

US Vice President Joe Biden is visiting Germany this week in an effort to strengthen trans-Atlantic ties. Global politics have come to a standstill in recent years, with the United States unwilling to show leadership and Europe and other major powers unable to fill the vacuum.

Ernest Rutherford, the chemist and nuclear physicist, wanted to conduct massive experiments in his laboratories in Britain. He had won the 1908 Nobel Prize in chemistry and would go on to become one of the legends in his field. But he often simply didn't have the funds. Legend has it that he gathered together his team and said: "Gentlemen, we have run out of money. It's time to start thinking."

These words attributed to Rutherford have become world-famous -- also in the realm of politics. And they could hardly be more applicable than to United States Vice President Joe Biden's upcoming trip to Germany. On Friday afternoon, Biden will hold a powwow with German Chancellor Angela Merkel in Berlin. On Saturday, he is scheduled to deliver a speech at the annual Munich Security Conference.

The reason is clear: Biden might still speak eloquently in public about trans-Atlantic cooperation. But, behind closed doors, his main message will be that America and its allies need to come up with a new way of divvying up responsibilities in this uncertain world.

The Exhausted Nation

In 1998, then-Secretary of State Madeleine Albright called America the "indispensable nation." But now, 15 years later, it is primarily an exhausted one, a global power in decline that has its gaze turned toward the domestic front rather than Afghanistan or the Middle East.

This should come as no surprise. Since the end of the Cold War, US soldiers have spent almost twice as many months at war than they had in previous decades. The country has pumped a phenomenal amount of money into its military. Indeed, in 2011, it spent more on defense than the next 19 military powers combined. And, of course, this only contributed to its record mountain of \$16 trillion (€11.8 trillion) in public debt.

When Biden gets up to speak, he will relay a message from his boss, US President Barack Obama. And the message will be: "Enough!" After all, when Obama recently gave his second inaugural address, he avoided making any reference to John F. Kennedy's 1961 inaugural speech, in which he said that America would "pay any price, bear any burden ... in order to assure the survival and the success of liberty" around the globe. Instead, the key sentence of Obama's speech was: "A decade of war is now ending."

Obama, the Nobel Peace Prize laureate, didn't focus on creating a better world in his speech. Instead, he talked about a better America, one with more opportunities for immigrants, more rights for homosexuals and less social inequality. Today's America is deeply divided, but all sides agree on one point: America's well-being is more important than the world's.

Obama's predecessor, President George W. Bush, had far-reaching, messianic visions for American foreign policy. But what remains of that in the Obama era is the so-called "Eisenhower Doctrine," as US commentators are re-discovering it. As a general, Dwight D. Eisenhower was the hero of World War II. But, as America's president from 1953 to 1961, he wanted to avoid bloodshed at all costs -- or at least the spilling of American

blood. According to biographer Jean Edward Smith, from the end of the Korean War till the end of his presidency, America didn't suffer a single combat fatality.

A Foreign Policy with Few Tangible Results

Obama has now nominated Chuck Hagel to become his new secretary of defense. Hagel, a former Republican senator and decorated combat veteran of the Vietnam War, gave Obama an Eisenhower biography as a gift and wants to keep today's GIs out of harm's way. Indeed, Hagel shares Obama's global vision of "leading from behind" -- whether it's in Libya or, more recently, in Mali, where the US is happy to let France take the lead.

Still, this new division of duties isn't the end of the world anymore than cuts in US military spending are. They are easier to implement than the grumbling military brass lets on. The real drama would be if America decided to completely retreat behind its own borders.

The fact is that, when it comes to America's standing in the world, the Obama-Biden team has made up a lot of ground. But its foreign policies have yielded hardly any real results. Indeed, even the Brookings Institution, the respected Washington-based think tank, believes that Obama has yet to chalk up many foreign policy successes.

In countries that take a hostile stance toward America, such as Pakistan, Obama is just as unpopular as Bush was -- perhaps as a result of deploying more drones than diplomats. It appears more likely than ever that Iran will develop nuclear weapons, the battle against climate change is stalling, the Israelis and Palestinians are back at each other's throats, and Sino-Western relations are still on shaky ground.

Is the World Shifting Into Reverse?

You would think it were high time for Obama to jump back into the saddle before he gets reduced to a lame-duck status. But no matter how many blinding smiles the notoriously perky Biden flashes in Berlin and Munich, this is probably too much to expect.

Of course, this gives rise to the question: Which country could step in and replace the United States? China is panicking about whether its economy is losing steam, Russia has degenerated into a petro-dictatorship, and Brazil and India are faltering. At the same time, international institutions, such as the United Nations, NATO and the European Union, are suffering from an identity crisis about what they're supposed to do.

As political scientist Ian Bremmer suggested in his recent book "Every Nation for Itself," we currently find ourselves in an era marked by a global "leadership vacuum." This could turn out to be a time of forward progress, especially for the Europeans, who may ultimately become the new global police.

The *Washington Post* says this isn't an idea to be scoffed at. But it still seems more entertaining than probable. If you exclude Britain, European nations have slashed their defense budgets by an average of 15 percent since the end of the Cold War. Worse yet, as illustrated by the euro crisis and the most recent brouhaha over London's role in the EU, diplomatic unity in Europe has yet to make the leap from paper to reality.

Indeed, rather than making progress, it is much more likely that the world will shift into reverse. Europe isn't in a position to provide decisive leadership. And the US doesn't want to anymore.

Eurozone crisis: The euro's Lazarus moment

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“The euro crisis has receded, leaving quite a lot of egg on (mostly) Anglo-Saxon faces,” [begins Philip Stephens in the *Financial Times*](#), as news emerged that the embattled currency hit a new 14-month high against the dollar, raising hopes that region's downturn had eased. “Brits and Americans were in the vanguard of the gloomsters,” he says, adding, that although the bloc still has [serious economic challenges](#) such as low growth, chronic unemployment and a pile of public debt, “In the event, reports of the demise of the single currency proved greatly exaggerated.” Analysing where the doom-mongers went wrong, he says –

The obvious mistake was to underestimate the political will of the European leaders to keep the show on the road... Behind the austerity, the bailouts and the new funding mechanisms has lain serious determination. During one sticky episode last year, I heard a German official say how lucky it was Britain had stayed out of the euro. Had it joined, it would have run away at the first whiff of cordite.

He believes the second reason why the nay-sayers went wrong was because they failed to appreciate that the euro model would adapt to survive.

The eurozone, pessimists said, faced a simple binary choice. It could become an economic and political union – a united states of Europe – or it was doomed. Since it was obvious that Germany, France and the rest were not about to abandon their national identities, it was easy to conjecture that the euro was a currency without a future. No one can be sure that the currency will survive in perpetuity... But at least we know now that the politicians will not give up without a pretty ferocious fight.

Gloomsters buried the euro too soon



By Philip Stephens

The end point looks likely to be tighter economic union that falls short of political federalism



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The [euro crisis](#) has receded, leaving behind quite a lot of egg on (mostly) Anglo-Saxon faces. For much of 2012 the air was thick with predictions of imminent catastrophe. Brits and Americans were in the vanguard of the gloomsters. In the event, reports of the demise of the single currency proved greatly exaggerated.

The most ardent europhile would struggle to argue that European governments have met all the big economic tests. The continent still boasts precious little growth, chronic unemployment and a pile of public debt. The banks are in far from rude health, and there are political battles aplenty ahead. That said, finance ministers no longer spend every waking hour checking the spreads on sovereign debt. Private funding is flowing back towards the periphery.

It is worth exploring where the pessimists went wrong. The answers provide a clue as to the future architecture of the eurozone and the political shape of Europe.

The obvious mistake was to underestimate the political will of European leaders to keep the show on the road. Peripheral states, it was said, would not have the resolve to sustain brutal austerity measures. Riots would spread from Athens to Rome, Madrid and Lisbon. Germany lacked the domestic political support needed to underwrite the debtors.

This argument was not without merit. Greece, in particular, looked as if it was sliding out of the monetary union. Spain seemed to face an impossible task in restoring a crippled financial system. The peripheral economies were hopelessly uncompetitive. German public opinion was singularly hostile to bailing out the “Club Med” nations.

What was missing in most of the British, and quite a lot of the American, analysis, however, was an appreciation of the force of politics. The myriad efforts to support the euro have been far from elegant. Constant hesitation has raised their cost and reduced their efficiency. But behind the austerity, the bailouts and the new funding mechanisms has lain serious determination.

For many in Britain, as we heard the other day from [Prime Minister David Cameron](#), the EU is about the single market. For the rest it is a political project – the guarantor of Franco-German reconciliation, of freedom in the former dictatorships of left and right, and of a European voice in a world where power is fast heading east. During one sticky episode last year, I heard a German official say how lucky it was Britain had stayed out of the euro. Had it joined, it would have run away again at the first whiff of cordite.

The turning point came when Chancellor Angela Merkel concluded that a eurozone collapse would risk the break-up of the EU. Germany would lose the strategic framework for its security and prosperity. It is striking how the national discourse changed within a matter of months, The conversation has shifted from “feckless” Greeks to the euro’s vital role in guarding German interests.

Ms Merkel decided during the late summer that it was too risky to allow Greece to leave. At about the same time, she sided with the European Central Bank against the Bundesbank. Mario Draghi, ECB president, got the go-ahead to guarantee the bonds of peripheral states. Once the [ECB had positioned itself as lender of first resort](#), the markets were left stranded on the wrong side of an unwinnable fight.

The other mistake was conceptual – the product of dry economic theory and excessively tidy minds. The eurozone, pessimists said, faced a simple binary choice. It could become an economic and political union – a united states of Europe – or it was doomed. Since it was obvious that Germany, France and the rest were not about to abandon their national identities, it was easy to conjecture that the euro was a currency without a future.

The trouble is that what the French call the construction of Europe does not conform to existing political models. The EU marries the supranational and the national. The euro was cast in the same mould. Sure, it was a mistake not to provide for more economic integration at the outset. And, yes, sustaining the single currency will eventually require a sizeable leap towards fiscal federalism. But neither the “political union” envisaged by Germany nor the “economic government” proposed by France imagine the abolition of the nation state. Nor need they.

A soon-to-be published study by economists at the International Monetary Fund shows that even full-blooded political federations vary widely in the distribution of economic power between the central government and constituent states. Few, if any, go as far as offering the centralised guarantee of borrowing that is implied by proposals that the eurozone should issue eurobonds.

Barack Obama has grasped this. When he was briefed about German reluctance to write a blank cheque, the US president said he well understood Ms Merkel’s reticence. After all, US states are not expected to bail out indebted neighbours.

The end point for the eurozone looks likely to be a much tighter economic union but one falling short of political federalism. Nemat Shafik, the deputy managing director of the IMF, put it well at a recent gathering in Paris of the Franco-British Colloque. Europe’s destination probably lay in the “muddy middle of variable geometry and hybrids between federal and intergovernmental solutions”.

The euro still confronts formidable political and economic challenges – though those who blame everything on the single currency must also explain why Britain is in a bigger mess. No one can be sure the currency will survive in perpetuity. History says that monetary unions often break up. But at least we know now that the politicians will not give up without a pretty ferocious fight.

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Is the Euro Crisis Over?

By [Jean Pisani-Ferry](#) on 1st February 2013

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Financial crises tend to start abruptly and end by surprise. Three years ago, the euro crisis began when Greece became a cause for concern among policymakers and a cause for excitement among money managers. Since the end of 2012, a sort of armistice has prevailed. Does that mean that the crisis is over?

By the usual standards of financial crises, three years is a long time. A year after the collapse of Lehman Brothers in September 2008, confidence in the United States' financial system had been restored, and recovery had begun. A little more than a year after the 1997 exchange-rate debacle triggered Asian economies' worst recession in decades, they were thriving again. Has the eurozone, at long last, reached the inflection point?

Many battles were fought in the last three years – over Greece, Ireland, Spain, and Italy, to name the main ones. The European Union's financial warriors are exhausted. Hedge funds first made money betting that the crisis would worsen, but then lost money betting on a eurozone breakup. Policymakers first lost credibility by being behind the curve, and then recouped some of it by embracing bold initiatives. Recent data suggest that capital has started returning to southern Europe.

The current change in market sentiment is also motivated by two significant policy changes. First, European leaders agreed in June 2012 on a major overhaul of the eurozone. By embarking on a banking union, which will transfer to the European level responsibility for bank supervision and, ultimately, resolution and recapitalization, they showed their readiness to address a systemic weakness in the monetary union's design.

Second, by launching its new “outright monetary transactions” scheme in September, the European Central Bank took responsibility for preserving the integrity of the eurozone. The OMT program was a serious commitment, and markets interpreted it that way, especially as German Chancellor Angela Merkel backed it, despite opposition from the *Bundesbank*. Moreover, Merkel visited Athens and silenced the voices in her coalition government who were openly calling for Greece's exit from the euro.

Unfortunately, however, there remain three reasons to be concerned about the future. For starters, politics lags behind economics, which in turn lags behind market developments. Sentiment on trading desks in New York or Hong Kong may have improved, but it has deteriorated on the streets of Madrid and Athens.

Indeed, the economic and social situation in southern Europe is bound to remain grim for several years. As things stand, all southern European countries are facing the prospect of a true lost decade: according to the International Monetary Fund, their *per capita* GDP will be lower in 2017 than it was in 2007. As long as sustained economic improvement has not materialized, political risk will remain prevalent.

Political upheaval in any of the southern countries would be sufficient to reignite doubts about the eurozone's future. Furthermore, French competitiveness, and the gap between its performance and that of Germany, is a growing cause of anxiety.

The second reason to worry is that there is limited consensus in Europe on what, exactly, is needed to make the monetary union resilient and prosperous again. Banking union is a positive development, but there is no agreement on additional reforms, such as the creation of a common fiscal capacity or a common treasury.

In particular, northern Europe continues to interpret the crisis as having resulted primarily from a failure to enforce existing rules, especially the EU's fiscal-stability criteria. Southern Europe is more inclined to view the crisis as having resulted from systemic flaws. Furthermore, northern Europe regards austerity as the mother of all reforms, while southern Europe fears that governments may not have enough political capital to do everything at the same time.

Finally, the last three years have revealed a clear pattern in the management of crises: Almost no decision results from serene deliberation, with most taken under financial-market pressure in an attempt to avoid the worst. Each time the pressure abates, plans for policy reform are put off – an attitude best captured in Merkel’s famous *ultima ratio*: action is undertaken only if it is indispensable to the survival of the euro. In other words, Europe displays a strong sense of survival, but not a strong sense of common purpose.

None of this means that the euro will collapse. The widely held conviction that letting the monetary union break up would amount to collective economic suicide provides a strong motivation to weather storms and overcome obstacles. Moreover, the results achieved so far may well prove sufficient to contain risks in the near future, while plans for a fiscal capacity, common bonds, and the creation of a European treasury are still being sketched. So, in practical terms, the difference between reforms that could be implemented and those that are being or will be implemented is less significant than it seems.

But, by consciously eschewing discussion about which reforms would make membership in the eurozone less hazardous and more beneficial for all, European leaders are missing an opportunity to signal that the euro is a stepping stone toward a prosperous, resilient, and cohesive union; and they are missing an opportunity to signal that the harsh economic adjustment that continues to dominate the policy agenda for much of the continent is not an end in itself.

Read more at <http://www.project-syndicate.org/commentary/the-euro-crisis-and-european-reform-by-jean-pisani-ferry#hHVRPhGuR0piBXP.99>

Analysis: France, Africa face tough Sahara phase of Mali war

Analysis & Opinion

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By David Lewis and Pascal Fletcher

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(Reuters) - The French or African troops who hunt down the Islamist fighters holed up in the mountains and deserts of northeast Mali may find a resilient enemy capable of fighting back with a concealed arsenal of surprising firepower.

France's initial success in its three-week old intervention in its former colony has gained Paris plaudits at home and abroad as a welcome blow struck against radical jihadists threatening Africa and the West.

Timbuktu and Gao, the main Malian towns held by Islamist insurgents since last year, fell to the French at the weekend, and French troops also seized the airport at Kidal, the last urban bastion abandoned by the rebels.

But the next step in stabilizing Mali and pursuing the al Qaeda-allied fighters in their remote desert and mountain bolt-holes near Algeria's border looks like a much tougher task.

It will take longer than a few weeks and likely require a bigger and more international effort than the limited offensive that has so far involved 3,500 French soldiers on the ground, backed by warplanes, helicopters and armored vehicles.

"Both politically and militarily, now is going to be the hard bit," Gregory Mann, a Mali expert who is associate professor of history at Columbia University, told Reuters.

The Islamist forces are thought to be sheltering north of Kidal in the Adrar des Ifoghas, a vast, rugged mountain buttress that has given sanctuary before to al Qaeda hostage-takers and Saharan traffickers of drugs, people and cigarettes.

They are believed to have weapons, fuel and supplies hidden in caves, tunnels and rock strongholds. These were stashed away before their pell-mell retreat from relentless French air strikes that left a trail of rebel charred vehicles and abandoned arms caches in dusty Niger River and Saharan towns.

"This is where they have the bulk of the stuff hidden," said Rudy Atallah, a former counterterrorism director for Africa at the U.S. Department for Defense. "They have barrels of fuel and weapons. They have been preparing for a long time."

Their preserved arsenal could include heavy machineguns, hand-held rocket launchers and also possibly one or more Grad multiple rocket launchers mounted on vehicles, according to arms experts who have viewed photos and footage of munitions caches abandoned by the rebels in their hasty withdrawal.

"This is pretty heavy ordnance, a level that would achieve parity with or even out gun most West African militaries," James Bevan, head of Conflict Armament Research, told Reuters after viewing photos of a cache found at Diabaly in central Mali.

A Western security source, who asked not to be named, said air power would help in the next phase - but only so much.

"Ground troops will have to go into the mountains and that will lead to casualties," he said.

"DEGRADING" AQIM

Guinea's President Alpha Conde, whose West African country is offering troops to a U.N.-backed African intervention force being deployed in Mali, predicted a "battle in the Sahara" against what he called "narco-traffickers" and "terrorists".

"The rebels will not disappear into the sky," he said last week in [Davos](#), Switzerland.

"If we don't want the Sahara to become [Afghanistan](#), then we need the world to get involved, not just France and Africa but also the United States and the European Union," he added.

But the United States and Europe, where a recession-hit public has little appetite for overseas wars after Iraq and Afghanistan, have ruled out sending combat troops and offer instead training as well as logistical and intelligence support.

French President Francois Hollande, anxious to reassure his people [France](#) will not get bogged down in a messy war in a faraway former colony, has said he expects African forces to take over the job of hunting down the rebels in the north.

It is hard to know exactly what materiel and manpower the Islamist rebels have lost in hundreds of French air strikes that are now homing in on rebel positions north of Kidal.

A French military video showed a rebel Grad multiple rocket launcher destroyed near Gao.

French estimates speak of several dozen rebels killed in the limited direct clashes so far. The real figure could be higher given the intensity of the air strikes.

Estimates by some security experts had put the combined original strength of the Islamist alliance in northern Mali, which groups al Qaeda's North African wing AQIM, Malian group Ansar Dine and AQIM splinter MUJWA, at around 3,000 fighters.

Mark Schroeder, director of Sub-Saharan Africa analysis at Stratfor consultancy, believes France and its allies will try to prevent rebels from fleeing over Mali's porous Saharan borders into neighboring states such as Algeria, Niger and Libya.

"If AQIM can be degraded ... forced into a space from where they can offer no threat, that can be a success," he added.

TUAREG PUZZLE

Nearly 2,000 troops from Chad and Niger, with experience of fighting in the Sahara, are backing up the French and Malians as they consolidate their gains in Gao and Timbuktu and also push reinforcements up towards Kidal in the wild northeast.

"The military cycle is far ahead of the political cycle ... They are liberating more than they can occupy," Mann said.

He added Malian authorities also needed to be pragmatic in handling fickle pro-autonomy northern Tuareg rebels, many of them experienced desert fighters, who have offered to help the French-led offensive against al Qaeda and its allies.

Mali's interim President Dioncounda Traore, who says he aims to hold national elections on July 31, said on Thursday he was open to dialogue with the Tuaregs provided they dropped any territorial independence claim.

It was a revolt by the Tuaregs, swelled by arms and fighters from the 2011 conflict in Libya, that initially seized Mali's north following a March military coup in the southern capital Bamako, before being hijacked by Islamist radicals.

But any attempt to placate the Tuaregs could draw a hostile reaction from the Malian public and military, the latter still smarting from its defeat last year by the desert rebels and the massacre of its troops. However, the army's meddling hand in national politics may have been weakened by French intervention.

Mali's army now guards roadblocks and checkpoints behind the French advance, but pockets of rebels still lurk in the bush.

Four Malian soldiers were killed on Wednesday between Gossi and Gao when their vehicle struck a landmine suspected to have been planted by insurgents in a nominally liberated area.

FEARS OF "WILD CARD" STRIKE

The African follow-up force intended to take over security from the French is far from being in place as it grapples with shortages of kit and supplies and lack of airlift capacity.

Besides Chadians and Nigeriens, only around 1,000 other Africans are on the ground in Mali, from Togo, Benin, Nigeria, Senegal and Burkina Faso, out of more than 8,000 soldiers expected to comprise the African force, known as AFISMA.

Advocates of the African force to pacify northern Mali point to the example of the AMISOM African peacekeeping force in Somalia, which now numbers more than 17,000. Deployed in 2007, it has driven al Shabaab militants out of the capital Mogadishu and, more recently, out of the southern port of Kismayu.

But this has been a tough campaign lasting several years, AMISOM has suffered several hundred casualties and countries with troops in Somalia, such as Kenya and Uganda, have experienced militant bomb and guerrilla attacks on their soil.

So even as Malian and French leaders celebrate success on the ground, there is concern Islamist militants inside and outside Mali could strike back, just as they did in the surprise raid on the In Amenas gas plant in Algeria earlier this month.

"The wild card is something completely asymmetrical, like the Algeria gas plant, or an attack in Bamako itself," Mann said, cautioning the war in the Sahara could be long and hard.

(Additional reporting by Tiemoko Diallo in Bamako, Richard Lough in Nairobi, John Irish in Paris; Writing by Pascal Fletcher; Editing by Dan Flynn and Jason Webb)

Ernstfall in Mali

Die Bundesregierung will sich aus militärischen Konflikten am liebsten raushalten. Auf die Dauer geht das nicht.

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Französische Soldaten im malischen Diabaly

Inniger geht's nimmer. Angela Merkel sagt Du zu François Hollande, anlässlich gemeinsamer Beschwörung der deutsch-französischen Freundschaft vor Jugendlichen im Kanzleramt. Berlin und Paris, lautete die Botschaft der [Élysée-Vertrags-Feierlichkeiten](#), bleiben auch nach 50 Jahren all dies: der Motor, das Tandem, das *couple* Europas. Wie schön.

Zur selben Zeit kämpfen über [2.000 französische Soldaten in Mali ganz allein](#) auch für europäische Sicherheitsinteressen. Wie unschön.

Anzeige

Frankreichs Streitkräfte versuchen nach einem Hilferuf der malischen Regierung, den Vormarsch von Islamisten aus dem Norden des Landes zu stoppen. Die Bundesregierung [hat zwei Transportflieger geschickt](#), um Soldaten aus den Nachbarländern nach Mali zu fliegen.

2.000 Soldaten aus Frankreich und zwei Transall-Maschinen aus Deutschland – dieses Ungleichgewicht kann zweierlei bedeuten: Entweder ist [François Hollande](#) ein Hitzkopf, der keine Ahnung hat, worauf er sich da einlässt. Oder die Regierung Merkel kann sich nicht dazu durchringen, einen Krieg mitzukämpfen, der auch aus deutscher Sicht legitim und richtig ist. Der Sozialist Hollande hat, so viel steht fest, bisher keinen ausgeprägten Ruf als Bellizist.

Natürlich kann es klug sein, einen Krieg selbst dann nicht zu führen, wenn er beides ist, legitim und richtig. Dann etwa, wenn die Folgen der Intervention schlimmer auszufallen drohen als die Folgen des Nichtstuns. [Syrien](#) ist ein solcher Fall; dort ist die Lage nach zwei Jahren Bürgerkrieg völlig entfesselt. In [Mali](#) ist die Lage (noch!) anders: Schätzungsweise 1.200 islamistische Milizionäre, Tuareg und frustrierte junge Malier haben sich zum Ziel gesetzt, einen Schariastaat zu errichten, um ungestört ihren kriminellen Geschäften nachgehen zu

können. Dazu gehören Drogen- und Menschenmuggel, Geiselnahmen und Terror. Flüchtlinge aus Nordmali berichten von Strafamputationen und Erschießungen; einige Salafisten drohen mit Anschlägen in Europa. Nur eine Ländergrenze vom Mittelmeer entfernt, versucht eine religiös-fanatische Mafia, die den Westen hasst, sich einen Herrschaftsbereich zu sichern. Welche Bedrohungen aus einer Allianz afrikanischer Taliban erwachsen können, führte das Mörderkommando [in der algerischen Gasförderanlage In Amenas](#) vor Augen.

Der deutsche Außenminister unterstützt folgerichtig mit großer rhetorischer Entschlossenheit (»Mali darf keine Heimstatt des Weltterrorismus werden«) das Eingreifen der Franzosen. Bloß, wenn das alles so ist, wenn es um die Verhinderung einer handfesten Bedrohung für Europa geht, um Menschenrechte, und wenn der UN-Sicherheitsrat die Intervention einhellig begrüßt, warum schließt derselbe [Guido Westerwelle](#) dann den [Einsatz deutscher Kampfgruppen](#) kategorisch aus? Natürlich ist die Ausschließerei bei ihm immer der erste Reflex, weil er weiß, dass die große Mehrheit der Deutschen keine neuen Bundeswehreinätze will. Aber erstens kann das für eine weitsichtige Außenpolitik nicht das einzige Kriterium sein. Und zweitens sollte die Bundesregierung dann keine europäische Sicherheitspolitik mehr anpreisen. Die britische Regierung reagiert genau umgekehrt: Eben weil sie in Afrika eine ähnliche Entwicklung befürchtet wie im [Afghanistan](#) der neunziger Jahre, schließt sie gar nichts aus. Jetzt, nicht später, besteht die beste Chance, einen größeren, womöglich langwierigen Krieg zu verhindern. Dabei sollte Deutschland helfen.

Sicher, man darf Sorge haben vor einer Entgrenzung des Einsatzes in Mali. Das Konfliktgebiet ist so groß wie Texas; ähnlich wie in Afghanistan kann es passieren, dass man die Gegner zwar immer wieder zurückschlägt, aber eben kaum je schlägt. Kriegsverläufe sind nicht vorhersehbar. Doch wer sich davon lähmen lässt, wer an militärischen Missionen nicht auch die Herausforderung akzeptiert, Ungewissheiten zu bewältigen, der möge seine Streitkräfte ehrlicherweise von jedem Auslandseinsatz abmelden. Man kann das machen. Die bündnisfreie Schweiz tut es. Liechtenstein hat seine Armee 1868 ganz aufgelöst.

Viele europäische Nachbarn erwarten von Deutschland ein anderes Selbstverständnis, mehr noch – ein neues Selbstbewusstsein. Deutschland ist nicht die Schweiz der EU, es ist Europas »[unverzichtbare Nation](#)«, wie es unlängst der polnische Außenminister Radek Sikorski formulierte. Sein ehemaliger französischer Amtskollege Hubert Védrine fragt beinahe verzweifelt, warum es Deutschland nicht endlich akzeptiere, »auch in anderen Bereichen« als auf dem Feld der Euro-Rettung eine angemessene Rolle zu spielen: »Es kann doch nicht darin verharren, seine Geschichte zu bewältigen.«

Als Deutschland und Frankreich 1963 ihren Freundschaftsvertrag abschlossen, tat [Charles de Gaulle](#) das mit der Absicht, ein »europäisches Europa« zu schaffen: eines, das militärisch unabhängig sein sollte von Amerika. Daraus wurde nichts, weil die Deutschen im Kalten Krieg auf den Schutzschirm der USA setzten. Diesen Schutzschirm ziehen die USA nun zurück. Ein »europäisches Europa« ist damit so notwendig wie nie. Ohne Deutschland allerdings wird aus der EU niemals eine ernsthafte, selbstständige Ordnungsmacht werden. *Alors, amie!*

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M. Anti-austérité était un imposteur

68,13

M le magazine du Monde | 01.02.2013 à 16h04 • Mis à jour le 02.02.2013 à 07h47 Par Franck Bertheau



Avec ses costumes sobres, ses lunettes discrètes et son front dégarni, [Artur Baptista](#) da Silva, 61 ans, avait le [physique](#) de l'[emploi](#). Pendant six mois, le [Portugal](#) a été conquis, fasciné par cet "économiste" qui enchaînait émissions de radio et débats télévisés pour dénoncer les méfaits de la [politique](#) d'austérité menée par le gouvernement.

Le 15 décembre 2012, le très sérieux hebdomadaire *Expresso* lui avait même consacré une double page. Un entretien dans lequel Artur Baptista da Silva mettait en garde l'opinion et prédisait à son pays "*de sérieuses difficultés en termes de contrôle social*". Le retentissement est tel qu'une dépêche de l'agence Reuters et un article du [Chicago Tribune](#) avaient repris ses propos. Quelques jours plus tard, la chaîne de télévision locale TVI 24 découvre la supercherie : le soi-disant économiste est un imposteur hors pair. Un ancien détenu condamné pour falsification de documents.

CV FOURNI

La tromperie débute en avril, lorsque le faussaire se rend à une réunion d'une association philanthropique de Lisbonne, l'Académie Bacalhau. Inconnu de tous, il distribue ses cartes de visite, se présente à la fois comme [conseiller](#) de l'ancien président du [Portugal Jorge](#) Sampaio, professeur d'économie aux Etats-Unis ou encore chercheur au sein de l'Organisation des Nations unies (ONU). A ce CV fourni, Artur Baptista da Silva ajoute une étude intitulée "*Croissance, inégalité et pauvreté*". Un document pêché sur Internet et dont le véritable auteur est un employé de la Banque mondiale.

Ses qualifications impressionnent. Ses états de service en font rapidement le chouchou des [médias](#). L'opinion, lasse de se [serrer](#) la ceinture, prête une oreille attentive à cette voix qui remet en question la sévère cure d'austérité imposée au pays. Depuis la révélation de l'imposture, une [enquête](#) pour fraude a été ouverte à son encontre. Après la diffusion d'un communiqué dans lequel il se disait victime d'une "*chasse aux sorcières*", Artur Baptista da Silva a disparu des radars. Internet fourmille de "mèmes", ces images détournées qui viennent [rappeler](#) aux Portugais l'ampleur de la duperie.

Mali : l'Allemagne cultive l'ambiguïté quant à l'intervention française

Le Monde.fr | 01.02.2013 à 17h27 Par Frédéric Lemaître - Munich Envoyé spécial

68,14



Bravo, les Français, d'être intervenus au [Mali](#), mais, surtout, ne surestimez pas vos forces. Tel est, succinctement résumé, le message que le ministre allemand de la [défense](#), a fait [passer](#) vendredi 1^{er} février à Munich. Thomas de Maizière s'exprimait à l'ouverture de la 49^e conférence sur la sécurité, une édition dont le point d'orgue devrait être le discours de [Joe Biden](#), le vice-président américain, samedi matin.

En quelques minutes, [Thomas de Maizière](#) a parfaitement résumé l'ambiguïté, voire le malaise de l'[Allemagne](#) vis-à-vis du type d'interventions que mène la France au Mali. Certes, *"l'intervention de la France était juste et s'imposait"* car *"une intervention militaire était nécessaire pour établir les conditions minimales d'un processus [politique](#)"*.

Le ministre – qui a besoin d'un mois et d'un vote au Parlement pour [envoyer](#) des avions-ravitailleurs au Mali – dit même *"avoir un grand respect pour la rapidité de l'engagement français"*. Mais c'est aussitôt pour ajouter : *"Il est clair pour nous qu'une intervention militaire ne peut être que le début d'un long processus qui est à la fois politique, sécuritaire, religieux et [social](#)"*.

"MARTEAU"

Le ministre – qui s'est bien gardé d'[annoncer](#) de nouvelles mesures de soutien à l'opération en cours – a implicitement pris ses distances avec [Paris](#). *"La supériorité militaire au sens classique du terme ne constitue aujourd'hui plus la garantie d'une résolution durable des conflits"*, a-t-il prévenu. Et Thomas de Maizière de résumer : *"Ce n'est pas parce que [vous](#) avez un marteau que chaque problème est un clou"*.

Pour l'Allemagne, qui voit sa prudence traditionnelle validée par le très lent processus de normalisation en [Afghanistan](#), il ne faut certes pas [sous-estimer](#) ses forces, mais il ne faut surtout pas les [surestimer](#). *"Nous ne devrions pas [croire](#) que nous pouvons contrôler tout ce qui se passe dans le monde. Il faut [admettre](#) publiquement. Nous pouvons seulement [contribuer](#) à résoudre les conflits. Pas davantage. C'est beaucoup, mais ce n'est pas tout"*, a conclu Thomas de Maizière.

En raison de son [voyage](#) au Mali samedi avec le président de la République, Jean-Yves Le Drian, ministre de la défense, a annulé sa venue à Munich. En revanche, Laurent Fabius, le ministre des [affaires étrangères](#), y est toujours attendu dimanche matin. Il devrait [intervenir](#) aux côtés d'[Ehoud Barak](#), ministre israélien de la défense.

February 1, 2013

68,15

As U.S. Growth Lags, Some Press the Fed to Do Still More

Federal Reserve officials believe the bank could do more to increase the pace of inflation and aid growth. They simply are not persuaded that the benefits outweigh potential costs.

By [BINYAMIN APPELBAUM](#)

WASHINGTON — In the five months since the [Federal Reserve](#) started a campaign to increase growth and reduce unemployment, the economy has slowed and unemployment has increased.

The Labor Department said on Friday that the jobless rate rose to 7.9 percent last month, up from 7.8 percent in December, in the latest evidence that the economy still is not growing fast enough to repair the damage of a recession that ended in 2009.

Some economists found the disappointing data an indication the Fed had reached the limit of its powers, or at least of prudent action. But there is evidence that the Fed is not trying as hard as it could to stimulate growth: it is allowing inflation to fall well below the 2 percent pace it considers most healthy.

Inflation, unlike job creation, is something the Fed can control with some precision. Higher inflation could accelerate economic growth and job creation by encouraging people to spend more and make riskier investments.

Yet annualized inflation fell to 1.3 percent in December, and asset prices reflect an expectation that the pace will remain well below 2 percent in the next decade.

“By their own framework, they’re not doing enough,” said Justin Wolfers, an economist at the University of Michigan. “They said that they were going to expand the economy and keep inflation around 2 percent, and they just haven’t done it.”

The rest of the government is making that task more difficult. Federal spending cuts, tax increases and the prospect of further cuts March 1 are hurting growth. The Fed chairman, [Ben S. Bernanke](#), has warned repeatedly that monetary policy cannot offset such fiscal austerity.

And it is likely that the latest economic data does not reflect the full impact of the Fed’s efforts. Despite the rise in unemployment, job creation has increased in recent months, consumer spending has strengthened and the housing market is healing. Partly because monetary policy is slow-acting, most forecasters expect modest growth this year.

But the Fed also is acting with a clear measure of restraint. Mr. Bernanke and other officials have made clear that they believe the central bank could do more to increase the pace of inflation and bolster growth and job creation. They simply are not persuaded that the benefits outweigh the potential costs — in particular, the risk that their efforts will distort asset prices and seed future financial crises.

The Fed is constrained in part because it already has done so much. The central bank has held short-term interest rates near zero since December 2008, and it has accumulated almost \$3 trillion in [Treasury securities](#) and mortgage-backed securities to push down long-term rates and encourage riskier investments.

Under its newest effort, announced in September and extended in December, it will increase its holdings of Treasuries and mortgage bonds by \$85 billion a month until the job market improves. The Fed also said that it planned to hold short-term rates near zero even longer, at least until the unemployment rate fell below 6.5 percent.

In normal times, the Fed would respond to flagging inflation and growth by cutting interest rates. At present, it could still increase the scale of its asset purchases. The two policies work in a similar way, stimulating economic activity by reducing borrowing costs and encouraging risk-taking. But asset purchases are a less direct method to reduce rates, and the available evidence suggests that the effect is less powerful.

The Fed's holdings of mortgage bonds and Treasuries also are growing so large that it could begin to distort pricing in those markets, and some transactions could be disrupted by a dearth of safe assets. Some Fed officials are concerned that asset prices for farmland, junk bonds and other risky assets are being pushed to unsustainable levels. As a result, Mr. Bernanke has said, the Fed is doing less than it otherwise would.

"We have to pay very close attention to the costs and the risks and the efficacy of these nonstandard policies as well as the potential economic benefits," Mr. Bernanke said last month, in response to a question about the low pace of inflation. "Economics tells you when something is more costly, you do a little bit less of it."

The Fed to some extent may be a prisoner of its own success in persuading investors over the last three decades that it was determined to keep inflation below 2 percent. It said in December that it would let expected inflation in the next two to three years rise as high as 2.5 percent. But expectations have not budged.

The Federal Reserve Bank of Cleveland calculated in [a January report](#) that average expected inflation over the next decade was just 1.48 percent per year.

Fed officials themselves generally expect somewhat higher inflation, but their most recent predictions, [published in January](#), still show that none of the 19 policy makers expected inflation to exceed 2 percent over the next two years.

"It's been harder to create expected inflation than I thought before this crisis," said Mark Thoma, a professor of economics at the University of Oregon. "Probably because of their own credibility, nobody believes them even if they say it."

But Professor Thoma and others also note that the Fed could be trying harder. Mr. Bernanke and other Fed officials have been careful to say that they will tolerate inflation expectations above 2 percent while also insisting that it is not a Fed goal to push expectations above 2 percent.

At the meeting of the Fed's policy-making committee last week, none of the 12 voting members supported stronger action to increase inflation or growth. One member voted in opposition to continuing the existing efforts.

"They are doing \$85 billion a month in purchases. Well, there's a number that's twice as large as 85 and twice as large as that," said Professor Wolfers. "It's clear that they can do more. But they keep saying one thing and doing another."

That reluctance ultimately reflects the enduring conviction of many Fed officials that their most important responsibility is maintaining stable inflation in the long run.

When inflation rises unpredictably, it disrupts economic activity by making it impossible for companies to tell the difference between increased demand for their products and generally higher prices. High inflation also taxes wealth, rewarding borrowers at the expense of lenders by eroding the value of fixed payments.

"We, the Federal Reserve, have spent 30 years building up credibility for low and stable inflation, which has proved extremely valuable in that we've been able to take strong accommodative actions in the last four, five years," Mr. Bernanke said last year, when asked why the Fed would not push inflation higher to hasten the pace of the economic recovery. "To risk that asset for what I think would be quite tentative and perhaps doubtful gains on the real side would be, I think, an unwise thing to do."

Islamists' Harsh Rule Awakened Ethnic Tensions in Timbuktu

By [LYDIA POLGREEN](#)

TIMBUKTU, Mali — Zahby Ould Ibrahim's general store was looted to the studs this week. The horde that descended upon it took not just the shop's stock of pots, pans and bedding but the electric sockets, the light bulbs and the doorframe, too.

A few shops away, Mahamane Dguitteye's grocery store, its shelves lined with packets of spaghetti, bottles of olive oil and bars of soap, was completely untouched.

The main difference between the men? Mr. Ibrahim is an Arab. Mr. Dguitteye is a black African of the Songhai ethnic group.

"They bypassed my shop because I am not an Islamist, I am not an Arab, I am not light skinned," Mr. Dguitteye said. "So they let me be."

The looting that took place here, along with reports of army executions of suspected Islamists and their allies, has raised fears that Mali, after two decades of peace among its many ethnic groups, is headed for a period of deep ethnic tension. That prospect is dampening the celebrations over the retaking of Timbuktu on Monday by French and Malian soldiers from the Islamist militants who occupied it.

The rebellion in Mali started with disgruntled members of the Tuareg ethnic group, who have risen up three times since Mali won its independence from [France](#) in 1960 to demand a state of their own. But Islamists with links to an extremist group, Al Qaeda in the Islamic Maghreb, quickly overran the secular rebels. They planned to turn northern Mali into an Islamic state, and some ethnic Arabs and black Africans joined their cause.

These alliances have driven deep wedges in this crossroads city, where the two ancient superhighways of the Sahara — the fabled caravan route and the Niger River — meet, bringing travelers from far and wide who have long found ways to live together in relative peace.

"Before, we were friends," said Dramane Cissé, the imam of one of the city's most important mosques. "But this is not the first time the Tuaregs have made trouble. They brought calamity on us. After this, the relationship will not be the same."

These tensions could be exacerbated by calls to negotiate with the secular Tuareg rebels, whose uprising in January 2012 started the crisis.

France, whose troops helped push the Islamists from the northern towns they held, are pressing for African troops to come garrison the cities of northern Mali before the rains arrive in March, and they are pressing President Dioncounda Traoré to start negotiations quickly with Tuareg rebels in the north, most of whom do not hold radical Islamist views.

The majority of Tuaregs, the French contend, will agree to remain in a sovereign Mali with more guarantees of political autonomy, and the French hope that a deal will lead to early national elections. The Foreign Ministry has called on the Malian government to open talks with "legitimate representatives" and "non-terrorist armed groups" in the north, a clear reference to the more secular Tuareg National Movement for the Liberation of Azawad, known as the M.N.L.A.

That is a message that President [François Hollande](#) of France is likely to reiterate when he meets with Mr. Traoré in the central town of Sévaré on Saturday and then travels with him to meet with French and Malian forces stationed here.

The Malian government has said it is open to talks with the rebel movement, which has dissociated itself from the Islamists, as long as it gives up its demand for full Tuareg independence. But the government has ruled out talks with Islamist groups, including Ansar Dine.

Several days after the looting ended, a group of young men had gathered, shiftless and bored in front of Mr. Ibrahim's shop, Boutique Najat. They explained why they had taken part in the spree.

“We are punishing them for what they did to us,” said Aboukarime, a 17-year-old student who would give only his first name. “We suffered under the Islamists. They beat our mothers. They must pay.”

His friend Mohammed chimed in.

“After what they have done we cannot forgive that,” he said. “They can never come back here.”

Such sentiments were painful to Siolina Cissé, a tall, pale-skinned man with light brown eyes whose lineage is a mix of Arab and Songhai.

“Our religion is one of tolerance,” said Mr. Cissé, a Koranic scholar whose family has been teaching Arabic and the Koran to the children of Timbuktu for centuries. “We forget things quickly. But the trust has been broken.”

Asked if he worried that his light skin might make him a target of ethnic violence, Mr. Cissé laughed.

“There is scarcely a child in this village that I have not taught to read the Koran,” he said. “I am well known as a son of Timbuktu.”

But there are good reasons to be concerned about reprisals against people of ethnic groups associated with the Islamist and Tuareg rebels, human rights groups warned.

“Over a dozen witnesses told Human Rights Watch that pro-government militias and youth groups have prepared lists of those who would be targeted for retaliation if government forces retake the north,” Human Rights Watch said in a report released in December.

The Malian Army has been accused of executing suspected militants, and has faced accusations of torture and other mistreatment.

Three men suspected of being Islamist militants who were arrested near the town of Léré told The Associated Press that they had been subjected to a form of waterboarding.

“To force me to talk they poured 40 liters of water in my mouth and over my nostrils, which made it so that I could not breathe anymore,” one of the men, who gave his name as Ali Guindo, told The A.P. “For a moment I thought I was even going to die.”

In Timbuktu, residents said it would take a long time for the old ways of coexistence to return.

“In Timbuktu, we are not racists,” Mr. Dguitteye said. “But people are angry. They feel betrayed. The trust is lost.”

Steven Erlanger contributed reporting from Munich, Eric Schmitt from Washington and Scott Sayare from Paris.

Spain's Premier Is Drawn Into a Widening Graft Scandal Gripping His Party

By [RAPHAEL MINDER](#)

MADRID — Just as [Spain](#)'s financial troubles seemed to be diminishing, Prime Minister Mariano Rajoy has become engulfed in a widening corruption scandal involving payments to the leaders of his Popular Party.

On Thursday, El País, Spain's leading newspaper, published what it said were excerpts from the party's financial accounts that showed regular payouts to leading party members above their official salaries. Mr. Rajoy first appeared in the ledgers in 1997 and received sums averaging \$34,000 a year through 2008, the newspaper said. The money, it said, came from "donations" from companies, particularly construction companies.

Former party treasurers, including Luis Bárcenas, who has been at the heart of the scandal, are suspected of maintaining the ledgers. [Two weeks ago](#), the Swiss authorities informed Spanish investigators that Mr. Bárcenas had deposited as much as \$29 million in Swiss bank accounts. El País, which said it gained access to the Popular Party's internal accounts from 1990 to 2008, said that Mr. Rajoy declined to comment on its report until internal and external audits ordered by him into the party's finances were complete. The audits were ordered after news of the Swiss accounts emerged.

But the report is certain to compound the troubles facing his government as it tries to navigate Spain's economic crisis in a climate of increasing anger and suspicion from the public of all politicians, as scandals related to Spain's boom years before the 2008 economic collapse come to light in all corners of the country.

"For Rajoy, whether the claims about illegal funds prove true or false, this is incredibly damaging because it weakens not only his party but his whole government at a very delicate moment in terms of trying to ensure Spain's economic recovery," said Fernando Seco, director of the Fundación Antares Foro, a policy debate forum in Seville. "If the Popular Party cannot shed light and justify its funding, we could enter a new period of political uncertainty."

On Thursday, María Dolores de Cospedal, the secretary general of the Popular Party, denied that the party maintained a parallel account, saying at a news conference in Madrid that "the Popular Party only has one set of accounts, and it is clean, transparent and submitted to the official accounting authority."

El País reported that Ms. de Cospedal was listed in the ledgers as having twice received payments of about \$10,000 in 2008, after she was confirmed to her post at the party's convention that June.

During a parliamentary debate on Wednesday, Mr. Rajoy made no mention of Mr. Bárcenas while he urged lawmakers to agree on a more transparent system of party financing. But that did nothing to quiet demands for a fuller explanation.

"Mr. Rajoy will now have to give some kind of clearer explanation," said Gaspar Ariño Ortiz, a lawyer in Madrid and former member of Parliament from the Popular Party.

In the context of a recession and record unemployment, Mr. Ariño Ortiz said, "citizens who are struggling to make ends meet are seeing that huge amounts of money have been handled within a Spanish party funding system that is completely obscure, anonymous and open to corruption."

Mr. Bárcenas, the former party treasurer, resigned in 2009 after being indicted in the early stages of a continuing investigation into a scheme of kickbacks and illegal payments that other Popular Party politicians

are accused of being involved in. He has denied wrongdoing, and through his lawyer, he denied ever keeping a parallel and undeclared set of books in order to make payments to politicians.

When he resigned, Mr. Bárcenas took nine boxes of documents with him from his offices, a trove that stands as an implicit threat to party officials, commentators say, that if he is taken down in the scandals, he plans to take others with him. The recent disclosure that Mr. Bárcenas kept vast sums of money in Switzerland is just one of about 300 corruption investigations being conducted in Spain, many linked to questionable deals made among bankers, developers and politicians during the nation's decade-long property boom. Few have been convicted so far.

The corruption investigations have also tainted Spain's institutional fabric, from the monarchy to the Supreme Court, whose chief justice was forced to resign last year over questionable business expense claims. On Wednesday, a judge demanded that Iñaki Urdangarin, the son-in-law of King Juan Carlos, and his former business partner post bond of \$11 million as the judiciary deepens its investigation into the possible embezzlement of millions in public money allocated to sports and tourism events.

Mr. Urdangarin has not been formally charged, but last year he became the first member of the royal family to appear in court in modern Spanish history.

The report in El País added to the disillusionment of many Spaniards, including some longstanding supporters of the Popular Party. One was Julian Acevedo Ruiz, a grocery store owner who said he had always voted for the party, including Mr. Rajoy in 2011.

"I wish that I had never voted," he said, "because really none of our politicians are worthy of the trust that we placed in them."

Pyrrhussieg der Presse

02.02.2013 · Frankreich und Google einigen sich: Sechzig Millionen für die Erneuerung, aber kein Geld für Inhalte. Ein „historisches Abkommen“ wird gefeiert, doch für die Zeitungen beinhaltet es mehr Gefahren als Lösungen.

Von [Jürg Altwegg](#)



© AP Feierliche Unterzeichnung: Google-Chef Schmidt, Frankreichs Staatspräsident Hollande (r.)

Um Mitternacht war die – bereits verlängerte – Frist abgelaufen. Bis Ende Januar hatten Google und die französischen Verleger Zeit, ein Abkommen auszuhandeln. Diesen Fahrplan hatte Präsident François Hollande vorgegeben. Als das Ultimatum bereits abgelaufen war, saßen die Verhandlungspartner noch immer am Tisch – wie in jeder Nacht während der vergangenen Woche. Hollande hatte angekündigt, daß er nach Bamako an den Schauplatz des Krieges fliegen würde. Er schien bereits auf dem Weg zu seinen Soldaten in Mali, als am Freitag Abend zumindest für die Öffentlichkeit überraschend im Elysée ein Gipfeltreffen inszeniert wurde: Google-Chef Eric Schmidt war persönlich nach Paris gekommen, um das Abkommen mit den Zeitungsverlegern zu unterzeichnen. Auf Augenhöhe präsentierten sich der Staats- und der Unternehmenschef den Medien und nahmen die Unterzeichnung vor.

Extrem schwierige Gespräche

Ein „Ereignis von weltweiter Bedeutung“ nannte François Hollande das Resultat. Von einem „historischen Abkommen im Interesse des französischen Volkes“ sprach Schmidt. Die französische Verlegerpräsidentin Nathalie Collin vom „Nouvel Observateur“ feierte eine „weltweite Premiere“ und bedankte sich im Namen ihres Verbandes bei Hollande, „der das Prinzip des Dialogs zwischen Google und der Presse lanciert hat“. Sie bedankte sich auch bei der Ministerin für Kultur, Aurélie Filippetti, und der Ministerin für technologische Erneuerung, Fleur Pellerin.

Im Gespräch war man seit drei Jahren. Im vergangenen Herbst kam es zum Eklat, als die Zeitungsverleger beschlossen, in die Offensive zu gehen. Google reagierte mit einer Boykottandrohung. Hollande drängte zu Verhandlungen und drohte im Falle ihres Scheiterns mit einem Gesetz. Marc Schwartz, der von der Regierung ernannte Vermittler, berichtet von extrem schwierigen Gesprächen. Offensichtlich war die Stimmung ziemlich gehässig. Auf amerikanischer Seite war Google-CEO Larry Page direkt involviert.

Was sieht die Einigung vor?

Das Abkommen besteht aus zwei Teilen. Der spektakuläre: Google bezahlt der französischen Presse sechzig Millionen Euro - als einmalige Leistung. Das Geld geht in einen Fonds, über dessen Mittel unabhängige

Experten entscheiden sollen. Finanziert werden Projekte, die den Zeitungen und Magazinen den Übergang ins digitale Zeitalter ermöglichen sollen. Nationale und Regionale Tageszeitungen, die Nachrichtenmagazine und die reinen Internetzeitungen dürfen sich um Unterstützung bewerben. Das ist für eine gewaltige Aufgabe relativ wenig Geld.

Über den zweiten Teil des Abkommens haben sich Hollande und Schmidt gar nicht erst weiter geäußert. Die Zeitungen bekommen einen privilegierten Zugang zu den Google-Plattformen, was immer das im Detail heißen mag: Die amerikanische Suchmaschine will ihnen zeigen, wie man „aus dem Internet mehr herauszuholen und mit Werbung die Online-Einkünfte verbessern“ kann. Damit riskieren sie allerdings auch eine noch größere Abhängigkeit von Google.

Das amerikanische Unternehmen kann mit diesem Abkommen mehr als zufrieden sein. Die Forderung, dass Google für Inhalte bezahlen soll und die Beiträge pro Klick verrechnet werden, ist vom Tisch. Wie ehrlich es Google mit der Entwicklungshilfe für den Aufbau eines neuen Geschäftsmodells meint, bleibt abzuwarten. Hollande kann sich die langwierige Mühe eines Gesetzes sparen und im Erfolg einer nichts besonders kühnen Einigung sonnen. Dem Präsidenten wurde auch die Frage gestellt, was nach dem Verbrauch der sechzig Millionen Euro geschehen solle? „Dann machen wir wieder eine Pressekonferenz.“ Das Flugzeug nach Mali wartete da bereits.

02/01/2013 03:56 PM

Full Throttle Ahead

US Tips Global Power Scales with Fracking

By SPIEGEL Staff

The United States is sitting on massive natural gas and oil reserves that have the potential to shift the geopolitical balance in its favor. Worries are increasing in Russia and the Arab states of waning influence and falling market prices.

Williston, North Dakota, is a bleak little city in the vast American prairie. It's dusty in the summer and frigid in the winter. Moose hunting is one of the few sources of entertainment. But despite its drawbacks, Williston has seen its population more than double within a short period of time.

The city is so overcrowded that new arrivals often have no place to stay but in their motor homes, which, at monthly parking fees of \$1,200 (€880), isn't exactly inexpensive. And more people continue to arrive in this nondescript little town.

The reason for the influx is simple: Geologists have discovered a layer of shale saturated with natural gas and oil deep beneath the city. The Bakken formation, spanning thousands of square kilometers, has become synonymous with an American economic miracle that the country hasn't experienced since the oil rush almost 100 years ago.

North Dakota now has virtual full employment, and the state budget showed an estimated surplus of \$1.6 billion in 2012. Truck drivers in the state make \$100,000 a year, while the strippers being brought in from Las Vegas rake in more than \$1,000 a night. President Barack Obama calls the discovery of Bakken and similar shale gas formations in Texas, Colorado, Pennsylvania, Louisiana and Utah a "stroke of luck," saying: "We have a hundred years' worth of energy right beneath our feet."

A Vital Nerve

The future of the American energy supply was looking grim until recently. With its own resources waning, the United States was dependent on Arab oil sheiks and erratic dictators. Rising energy costs were hitting a vital nerve in the country's industrial sector.

But the situation has fundamentally changed since American drilling experts began using a method called "fracking," with which oil and gas molecules can be extracted from dense shale rock formations. The International Energy Agency (IEA) estimates that the United States will replace Russia as the world's largest producer of natural gas in only two years. The Americans could also become the world's top petroleum producers by 2017.

Low natural gas prices -- the price of natural gas in the United States is only a quarter of what it was in 2008 -- could fuel a comeback of American industry. "Low-cost natural gas is the elixir, the sweetness, the juice, the Viagra," an American industry representative told the business magazine *Fortune*. "What it's doing is changing the US back into the industrial power of the day."

The government estimates that the boom could generate 600,000 new jobs, and some experts even believe that up to 3 million new jobs could be created in the coming years. "My administration will take every possible action to safely develop this energy," Obama said during his most recent State of the Union address.

Shifting Calculations

The gas revolution is changing the political balance of power all over the world. Americans and Russians have waged wars, and they have propped up or toppled regimes, over oil and gas. When the flows of energy change, the strategic and military calculations of the major powers do as well.

It is still unclear who the winners and losers will be. The Chinese and the Argentines also have enormous shale gas reserves. Experts believe that Poland, France and Germany have significant resources, although no one knows exactly how significant. Outside the United States, extraction is still in its infancy.

The outlines of a changed world order are already emerging in the simulations of geo-strategists. They show that the United States will benefit the most from the development of shale gas and oil resources. A study by Germany's foreign intelligence agency, the BND, concludes that Washington's discretionary power in foreign and security policy will increase substantially as a result of the country's new energy riches.

According to the BND study, the political threat potential of oil producers like Iran will decline. Optimists assume that, in about 15 years, the United States will no longer have to send any aircraft carriers to the Persian Gulf to guarantee that oil tankers can pass unhindered through the Strait of Hormuz, still the most important energy bottleneck in the world.

The Russians could be on the losing end of the stick. The power of President Vladimir Putin is based primarily on oil and gas revenues. If energy prices decline in the long term, bringing down Russian revenues from the energy sector, Putin's grip on power could begin to falter. The Americans' sudden oil and gas riches are also not very good news for authoritarian regimes in the Middle East.

European industry is also likely to benefit from falling world market prices for oil and gas. But according to prognoses, without domestic extraction the Europeans' site-specific advantages deteriorate.

German chemical giant BASF has already invested a lot of money in the United States in the last two years. In Louisiana, for example, it has built new plants for the production of methyl amines and formic acid. "The local natural gas price is a criterion that affects the question of where we invest in new production facilities," says BASF Executive Board member Harald Schwager. At the moment, the United States has a clear advantage over Europe in this regard."

German Reservations

So far, the [political debate](#) in Germany has been dominated by concerns over adverse environmental effects. Fracking has become a dirty word for citizens' initiatives and environmental groups.

The concept of pumping water laced with chemicals into the earth at high pressures to crack open layers of rock several thousand meters beneath the surface makes many citizens uneasy, even though the technology has, in principle, already been used for decades in conventional gas extraction in the northern German state of Lower Saxony.

At the same time, Germany's energy and climate policy would in fact be a reason to use the new gas reserves. Flexible gas power plants would be the best approach to offsetting unpredictable fluctuations in wind and solar electricity, thereby maintaining a reliable power supply. Besides, burning natural gas generates up to 60 percent less climate-damaging CO₂ than burning coal.

With the help of natural gas, the Americans have been able to reduce their CO₂ emissions associated with energy production to the lowest level in years. This is one of the reasons the country plans to replace one in six coal-fired power plants with gas power plants by 2020.

At the Munich Security Conference this weekend, fracking will be at the top of the agenda for the first time. In fact, one of the agenda items is called "The American Oil and Gas Bonanza." In past years, nuclear weapons and threats from international terror were discussed at the conference, but this year one of the hot topics is the "Changing Geopolitics of Energy." This shows how important the issue has become. "It is perhaps a permissible exaggeration to claim a natural gas revolution," John Deutch, a former undersecretary at the Energy Department and CIA director, and now a professor at the elite Massachusetts Institute of Technology, recently wrote in *Foreign Affairs* magazine. Deutch has been monitoring the development for years.

America 's Energy Miracle

In the late 1990s, American oil and gas companies used new technologies to advance into previously unexplored layers of the earth. They drill up to 4,000 meters (13,123 feet) into the shale, then make a sharp turn and continue to drill horizontally. Then they inject a mixture of water, chemicals and sand into the drilled well at high pressure. This creates small fractures in the surrounding rock, allowing gas and oil to be released and rise to the surface through pipes.

New technologies are drastically reducing drilling costs. In 2012, shale gas already made up 34 percent of total production, and the technology is constantly improving. The sector is booming, and there are dozens of new companies searching for additional, previously undiscovered deposits.

In the future, the United States could even go from being a net energy importer to a net exporter. But that would require a true policy shift. Since the oil shock of the 1970s, the export of domestic petroleum resources has been banned in the United States. Many companies also have an interest in keeping as much of the cheap natural gas in the country as possible, as it provides them with a competitive advantage over foreign competitors.

According to a study, lower natural gas prices last year created a benefit worth more than \$100 billion for US industry. "The country has stumbled into a windfall on the backs of these entrepreneurs," says study co-author Professor Edward Hirs of the University of Houston.

And perhaps things will indeed improve substantially. The US government has identified a new deposit in Utah, although additional major advances in technology are needed to make extraction economically viable. The Utah deposit contains an estimated 1.5 trillion barrels of extractable oil, or as much as the world's entire proven oil reserves to date.

Russia on the Losing End

A building in the southwestern section of Moscow juts into the sky like a rocket. The architectural message of the headquarters of energy giant Gazprom, which towers over everything else around it, is clear: The only way is up. Until recently, there was still an overwhelming consensus that nuclear weapons and energy commodities like oil and gas are the two currencies that gave a country its superpower status. Russia, the world's largest exporter of natural resources, has both in abundance.

President Putin built his dominance at home and his foreign policy on Russia's wealth of natural resources. Oil and gas revenues make up about 50 percent of the national budget. The president needs Gazprom's billions in revenues to keep his supporters, mostly government employees, retirees, blue-collar workers and farmers, happy with expensive social benefits. Gas also plays a central role in the plan to expand Russia's sphere of influence into the former Soviet republics.

But now the American natural resources boom threatens Putin's dreams of an imperial resurrection of his country. It is already struggling with falling gas prices. Gazprom's operating profit shrank by more than 25 percent in the first nine months of 2012.

The Russians are now forced to give their customers, like Germany's E.on and Italian energy company Eni, discounts in the billions. Still, the Europeans are reorienting themselves. In the first three quarters of 2012, Gazprom sales fell by 43 percent in the Netherlands, 30 percent in Slovakia and 20 percent in France.

The Kremlin Is Alarmed

No one in Moscow can rattle off these statistics as quickly as Vladimir Milov. He was deputy energy minister after the turn of the millennium, and today he heads a small opposition party. Milov believes Gazprom is a giant with clay feet. "America is announcing the shale gas revolution, while Gazprom and Russia remain in hibernation," he says.

If liquefied natural gas from the United States lands at the ports of Rotterdam, Hamburg or Odessa in the future, it will further increase the pressure on prices. And if Moscow remains intransigent in the discussion of an Iran resolution in the UN Security Council, Washington could threaten to flood the market with natural gas.

If that happened, Russia's attempt to influence the world market price through a natural gas group similar to OPEC would also be off the table once and for all. Last July, Russia invited the world's large gas exporters to discuss improved cooperation, but to no avail. If the United States exports a portion of its enormous resources, price and production agreements will likely become impossible once and for all.

The Kremlin is alarmed, despite Gazprom CEO Alexey Miller's dismissive characterization of the revolution as an exaggeration in the style of "American Hollywood films." Shale gas will play only a secondary role in the market, says Miller, citing the billions Western energy companies are investing in pipelines and the traditional exploration of Siberian gas fields.

But new pipelines are expensive, and it is completely unclear whether the South Stream pipeline, which is to transport Russian gas from the Black Sea to Italy, across a distance of 2,380 kilometers (1,490 miles), and will cost an estimated €16 billion to build, will ever pay off. Miller's spokesman Sergey Kupriyanov admits that the new technologies work in America's favor.

But another trend is being overlooked, says Kupriyanov. "The demand for gas will increase worldwide," he explains, "because the economies of the rapidly growing emerging countries need energy and, in the future, more automobiles and soon more ships will be operated with environmentally friendly natural gas."

It seems certain that Russia will remain an important supplier of commodities. But its political threat potential will shrink if the countries of Western Europe and Ukraine have more alternatives to Russian natural resources. Moscow will likely become the biggest political loser of the America natural resource boom. But what does it look like at other key points in the business?

No Blood for Oil

The Middle East, for example, is a dangerous region, repeatedly racked by war in the last few decades. The Americans attacked Iraq twice to secure their oil supply.

More than 20 US warships are stationed in Bahrain, including an aircraft carrier, as well as several destroyers and submarines. The US Navy's Fifth Fleet is intended to secure the Strait of Hormuz, which connects the Persian Gulf with the Gulf of Oman. Some 35 percent of the global oil trade involving ships passes through the Strait.

With its efforts in the Gulf, the American military is not only protecting trade routes, but also the monarchies in the region. In return the Saudis, still the world's largest oil producer today, have ensured that OPEC pursues a moderate price policy. But the tradeoff of security against oil is costly for the Americans.

Washington pays billions for its military presence in the Middle East. And the costs are not just material. The fact that American troops were deployed to the war in Kuwait from Saudi soil was the catalyst that triggered former al-Qaida leader Osama bin Laden's fight against the United States.

According to BND estimates, the Americans could soon dispense with energy shipments from the Middle East altogether. It is conceivable that the United States could then no longer have a direct interest in protecting the flow of oil out of the Gulf region, London-based energy expert Alan Riley recently wrote in the *New York Times*.

Nevertheless, it is unlikely that the United States will withdraw from the region in the foreseeable future. "The United States will remain dependent on international energy markets for a long time to come," says Joseph Braml of the German Council on Foreign Relations.

Besides, US interests in the Middle East are not limited to oil. They also include both containing Iran and fighting Islamist terror. Finally, protecting Israel also plays a central role in American foreign policy.

"Anyone who thinks that the Americans could withdraw from the Middle East understands neither the dynamics of the oil markets nor the geopolitical relationships," says Braml. One reason that America will maintain a presence at the Strait of Hormuz, he explains, is to be able to shut off the energy tap to the Chinese if necessary.

Still, the Europeans, in particular, could face new political challenges. "It ought to become easier for America in the future to demand more help from others in securing the energy supply," says security expert Michael O'Hanlon of the Washington-based Brookings Institution. This applies to Washington's NATO allies, he adds, and to Japan, South Korea and even India.

For Germany, this would probably not mean sending its own troops to the Gulf. But it would have to make a stronger contribution to the costs of the US mission.

According to the BND's assessment, the Chinese will be significantly on the losing end of American oil wealth. The country will become even more dependent on the Gulf region than it is now, and yet it is still not in a position to protect the transport routes on its own. This makes it vulnerable, the BND argues, and gives the United States more room for maneuver with its global political rivals. But what does all of this mean for Germany?

'Typical German Behavior'

In a study conducted last year, the Federal Institute for Geosciences and Natural Resources in the northern German city of Hanover concluded that even Germany has substantial untapped natural resources beneath its soil: between 700 and 2,300 billion cubic meters of extractable shale gas, or 200 times the country's current natural gas production. "This means that shale gas from domestic reserves, if used extensively, could contribute significantly to Germany's natural gas supply," say the institute's experts. Representatives of energy companies ExxonMobil and Wintershall estimate the marketable value of this treasure at up to €1 trillion.

The Hanover study makes it seem as if Germany could immediately start drilling. It also states that environmental concerns are unfounded, because the method in question has been around for a long time, although it has only been used so far in other types of rock.

"The risks of fracking activities in the geological subsoil are low compared with potential accidents in above-ground activities," the study reads. In other words, if an oil truck tips over on the road, the risk of groundwater contamination is much greater than with fracking. But the study also points out that it would be best to stay away from regions vulnerable to earthquakes.

But the concerns about fracking prevail in politics. The government of the western state of North Rhine-Westphalia, a coalition of center-left Social Democrats and the Greens, imposed a moratorium of sorts, and it has even refused to issue a permit for an exploratory well requested by ExxonMobil. And in Lower Saxony, where the fracking process has already been widely used in conventional gas deposits, the mood has shifted after the recent SPD-Green Party win in state parliamentary elections.

The critics base their arguments in part on a position taken by the Federal Environment Agency, which is of course particularly sensitive when it comes to environmental matters. According to the agency's position, fracking should only be allowed under the strictest of conditions, which in turn displeases proponents.

"It's typical German behavior," says BASF board member Schwager, "to initially see only the risks with every new technology, instead of thinking about the opportunities."

Environment Minister Peter Altmaier and Economics Minister Philipp Rösler have learned their own lessons from the dispute among experts. Fracking, they state in their position papers, is technically complex and environmentally controversial. In other words: Let's not touch it with a 10-foot pole, at least until after the national parliamentary election in the fall.

REPORTED BY ALEXANDER NEUBACHER, RALF NEUKIRCH, MATTHIAS SCHEPP, THOMAS SCHULZ

Translated from the German by Christopher Sultan

"Européens, unissez-vous pour relâcher la contrainte budgétaire"

Le Monde.fr | 31.01.2013 à 12h37 Par Olivier Raingeard, chef économiste de la banque Neufilze OBC 68,29

Dans le cadre de la procédure dite du semestre européen, les Etats présenteront au mois d'avril leurs stratégies budgétaires à moyen terme et leurs programmes de réforme.

Il apparaîtra que certains pays, dont la France et l'Espagne, ne respecteront pas leur objectif de déficit, respectivement de 3 et 4,5 % du PIB en 2013.

La Commission européenne aura alors le choix entre formuler des orientations ciblées sur la consolidation budgétaire ou se concentrer sur les moyens de réduire les déséquilibres économiques des pays, tout en admettant la nécessité de relâcher à court terme la contrainte budgétaire. La seconde option doit s'imposer pour deux motifs.

D'une part, la zone euro, avec un déficit moyen qui devrait s'inscrire sous les 3 % du PIB en 2013, est la plus avancée dans l'exercice de consolidation de ses finances publiques.

Aux Etats-Unis, républicains et démocrates ne sont, pour l'instant, parvenus qu'à un accord à minima sur la falaise budgétaire, de telle manière que le déficit américain pourrait encore dépasser les 7 % du PIB cette année.

En Angleterre, la reprise économique est tellement faible que le déficit devrait également atteindre les 7 %, ce qui contribue vraisemblablement à ce que se pose, de nouveau, la question existentielle de sa place dans l'Union européenne.

Enfin, le Japon engage un nouveau plan de relance budgétaire, qui creusera un déficit qui atteignait 10 % du PIB en 2012.

IMPACTS NÉGATIFS SUR L'ÉCONOMIE

D'autre part, les derniers travaux académiques concluent que les durcissements des politiques budgétaires peuvent avoir des effets plus néfastes qu'initialement escompté.

Dans son édition d'octobre 2012 sur les perspectives économiques mondiales, le Fonds monétaire international s'interroge sur la sous-estimation potentielle des multiplicateurs budgétaires. Les hypothèses de politique économique considéraient jusqu'à récemment qu'une réduction du déficit de 1 point de PIB générerait une baisse du PIB de 0,5 point, soit un multiplicateur budgétaire de 0,5. Or, l'institution internationale admet désormais que ces derniers seraient compris entre 0,9 et 1,7, soit une multiplication de 2 à 3 de l'estimation initiale !

Le faible taux d'utilisation des capacités de production, une politique monétaire contrainte par l'absence de marges de manœuvre sur les taux directeurs et la synchronisation des ajustements budgétaires en seraient les principales raisons.

Les pays européens doivent par conséquent relâcher la contrainte budgétaire. En contrepartie, la restauration de la compétitivité doit se poursuivre, l'effort de réformes s'accélérer et la construction de l'Europe économique et politique se préciser. Ce n'est qu'à ces conditions que l'Europe sortira de la crise.

Par Olivier Raingeard, chef économiste de la banque Neufilze OBC

Hollande au Mali : le plus dur reste à faire

LE MONDE | 02.02.2013 à 11h31

68,30



En s'envolant pour le Mali, pour une visite rendue possible par l'éviction des rebelles djihadistes des villes du nord du pays, François Hollande a sans doute songé à un cruel précédent. Le 1er mai 2003, sur le pont du porte-avions nucléaire Abraham-Lincoln, le président George Bush avait annoncé la fin des "opérations majeures" en Irak, six semaines après son invasion par les troupes américaines. Derrière le président, une banderole célébrait une "mission accomplie". Vingt-trois jours plus tard, un décret de l'administrateur provisoire Paul Bremer entraînait la dissolution des forces armées et des services de sécurité irakiens. Une faute stratégique qui allait contribuer à plonger le pays dans un cauchemar dont il peine toujours à sortir, une décennie plus tard, et à épuiser les Etats-Unis.

Le 15 septembre 2011, après la chute de Tripoli, le président français, Nicolas Sarkozy, et le premier ministre britannique, David Cameron, s'étaient rendus à Benghazi, berceau de la rébellion contre Mouammar Kadhafi, que l'intervention franco-britannique avait sauvée du bain de sang quelques mois plus tôt. A l'époque, la Libye n'était pas sortie d'affaire. Elle ne l'est toujours pas.

Il faut s'en persuader : la mission française au Mali vient tout juste de commencer, et sur des bases rigoureusement contraires à ce qui était prévu. L'offensive des rebelles, début janvier, a contraint Paris à déployer ses soldats au sol, alors qu'il souhaitait initialement se limiter à aider une force africaine. Les opérations ont précédé un très théorique retour à l'ordre constitutionnel, dix mois après le coup d'Etat militaire du capitaine Amadou Sanogo, le 22 mars 2012. Normalisation politique qui aurait dû se conclure, au plus tard en avril, par une élection présidentielle.

La précipitation des événements est un terrible révélateur de l'état du Mali. A commencer par son armée, "groupement de fonctionnaires" vivant de trafics plus que de leur solde, selon le responsable malien Soumeylou Boubeye Maïga. Il faudra du temps avant que les troupes maliennes soient en état de défendre leur pays et de tenir tête à des rebelles qui se sont repliés sans combattre de Gao et de Tombouctou. Quant au retour à l'ordre constitutionnel, la reprise de contrôle des principales villes du Nord le rend possible sur la totalité du pays, mais les représailles imputées aux soldats maliens visant les collaborateurs présumés des djihadistes risquent de le compliquer politiquement.

D'autant que la résolution des Nations unies adoptée en décembre 2012 et qui prévoyait le déploiement de troupes africaines est catégorique sur le point à l'origine de la crise : les revendications autonomistes, sinon indépendantistes, des Touareg. Bamako est invité à mettre en place rapidement "un cadre de référence crédible" pour répondre "aux préoccupations de longue date des populations du Nord". Les futures autorités maliennes y seront-elles prêtes ? Auront-elles un mandat en la matière ?

Par sa présence au Mali, le président français donne le coup d'envoi d'un processus incertain : la reconstruction d'un Etat. Les précédents comme l'Irak et la Libye en disent long sur l'ampleur de la tâche.

Timbuktu Gives France's President an Ecstatic Welcome

By [LYDIA POLGREEN](#)



TIMBUKTU, Mali — France's president, [François Hollande](#), paid a triumphant visit to this ancient city on Saturday, receiving a rapturous welcome from thousands of people who gathered next to a 14th-century mosque to dance, play drums and chant "Vive la France!" The muezzin, whose singing calls residents to pray five times a day, wore a scarf in the colors of the French flag as he shouted, "Vive Hollande!"

It had the trappings of a "mission accomplished" moment.

But even as people outside the mud-and-wood mosque hailed the French leader as the city's, and their country's, savior, questions **remain about what France has accomplished aside from chasing Islamic extremists from the cities and into their desert and mountain redoubts.**

"These Islamists, they have not been defeated," said Moustapha Ben Essayouti, a member of one of the city's most prominent families who lined up to greet Mr. Hollande here. "Hardly any of them have been killed. They have run into the desert and the mountains to hide."

Even Mr. Hollande, who praised French and Malian troops gathered here for accomplishing "an exceptional mission," acknowledged that "the fight is not over."

Indeed, little is known about the fate of fighters who fled the cities that have been retaken in the lightning northward advance by French and Malian troops to clear Islamists who had taken over the north of the country in recent months. **In interviews, residents of cities now abandoned by the Islamist rebels have said that the bulk of the fighters fled in the night long before the French arrived.**

Given the fighters' deep familiarity of the vast, forbidding territory between this city and the borders of Algeria and Mauritania, **many worry that the Islamist groups will simply regroup and come back to try again.**

"If France leaves, they will come back," Mr. Essayouti said.

The spidery network of Islamist militants in Mali numbered about 2,000 hard-core fighters before the French airstrikes and march north, according to American intelligence officials, **and there are no clear figures yet on how many died in the fighting. The most dangerous component of that mix is Al Qaeda's affiliate in North Africa, known as Al Qaeda in the Islamic Maghreb, the officials said.**

The group has been attracting heavily armed Islamists from about 10 countries across North and West Africa, **making Mali the biggest magnet for jihadi fighters other than Syria**, one of the senior American intelligence officials said.

The Islamists who advanced toward a pivotal frontier town on Jan. 10 — leading to worries of a possible march south to the capital and drawing France into the battle in the process — were well armed, with AK-47s, rocket-propelled grenades and heavy machine guns mounted on vehicles. They also had some armored personnel carriers seized from the Malian military last year.

American military and counterterrorism officials applauded the speed and efficiency of the French-led operation, but they voiced concerns that the militants had ceded the northern cities with little or no resistance in order to prepare for a longer, bloodier insurgency.

“Longer term, and the French know this, it’s going to take a while to root out all these cells and operatives,” Michael Sheehan, the Pentagon’s top special operations policy official, told a defense industry symposium on Wednesday.

The senior United States intelligence official said that **the real measure of success would be whether follow-up operations in the north would be able to diminish the strength of Al Qaeda in the Islamic Maghreb and other Islamist groups.** Like other American officials, he spoke on the condition of anonymity because operations were continuing.

Whether the Islamists are routed in the end may depend in part on how involved France remains. **The Malian troops are considered to be poorly trained, and even the most capable of the other African troops pouring into the country as part of a regional force do not have the same level of weaponry to back them up as the French.**

Mr. Hollande refused to give a timetable on Saturday for the withdrawal of the 3,500 French troops currently in Mali. In a speech here he said that it is “not our role to stay,” but later in the capital of Bamako he said, “We will be with you to the end, all the way to northern Mali,” according to the French news media.

In the past, French officials have talked about handing off the fight in the north to the Malian Army and other African troops.

North Africa specialists and American intelligence officials say the militants might lay low until French forces leave.

“Are they going to dig in and be guerrillas or go to ground and wait?” said Michael R. Shurkin, a former Central Intelligence Agency analyst who is now at the RAND Corporation.

For now, the people of Timbuktu are grateful for France’s help. They waved French and Malian flags and sang to the thumping rhythms of djembe drums, which were banned under the harsh version of [Shariah](#) imposed by the Islamist group that took control of the city. Men and women danced side by side.

As Mr. Hollande, ringed by security guards, plunged into the crowd to shake hands, some waved banners that said **“Papa François, the mysterious city welcomes you.”**

“Hollande is our savior,” said Arkia Baby, a 24-year-old college student, who wore a purple batik dress of a style banned by the Islamists. “He gave us back our freedom.”

That sentiment represents a strange twist in France’s often troubled history in Africa. France had a vast belt of colonies here that spanned the Sahara, from the Atlantic coast to just short of the Red Sea. After many of its colonies won independence in 1960, many remained bound to France, using a currency pegged to the franc and then the euro, and maintaining close trade, military and diplomatic ties.

France’s role has been fraught with moral peril. It pioneered brutal techniques to put down insurgencies in the Algerian war for independence, carpet-bombing villages suspected of harboring nationalist guerrillas. **In the**

early 1990s France staunchly supported the Hutu-dominated government of **Rwanda**, despite growing signs that a blood bath was in the making.

More recently, French military intervention in **Ivory Coast** may have heightened ethnic tensions in that country. Even though the French intervened to install the country's democratically elected leader, because the vote was cast along ethnic lines they were seen as favoring northerners and Muslims over southern Christians.

The French lost only one helicopter pilot in Mali, but Mr. Hollande's aides are conscious of the risks of overstaying and becoming targets themselves.

The French hope that with the Islamists in far northern deserts and hills, they can be watched by drones and attacked from the air without harming civilians. The French also expect that the Islamists will have a harder time getting gasoline and food, especially if Algeria, as promised, seals its border with Mali. The French also say the Islamists will find it harder to plan further raids and kidnappings of Westerners that have helped finance their insurgency.

Still, staying and fighting carries risks for France, beyond the safety of its troops. French officials have voiced concerns **about charges that the regular Malian Army has been guilty of human rights abuses, including murders of Tuareg and Arab civilians they accuse of ties to the militants.**

Mr. Hollande warned the French and African troops here that they must avoid abuses, lest they "tarnish the mission."

Writing in the newspaper *Libération*, the French columnist Vincent Giret argued that the French face an unhappy choice in Mali. If they remain on the front line they will look, "sooner or later, like white neocolonialists," and any bad episode can turn public opinion quickly sour. But if the French Army "settles for a role supporting the Malian and African troops left on the front line, it then risks being accused of covering up abuses and score settlements."

Steven Erlanger contributed reporting from Munich, Eric Schmitt from Washington, and Scott Sayare from Paris.

Friday Tragicomedy

Former Fed Advisor Urges Fed To Buy More, "A Lot More" ... \$30 Trillion More

Submitted by [Tyler Durden](#) on 02/01/2013 14:30 -0500

68,34

While we can only hope the following screed posted in an otherwise serious [BusinessWeek](#), by David Kemper, CEO of Commerce Bankshare, and more importantly, *a former president of the Federal Advisory Council of the Federal Reserve* and thus indicative of the kind of "advice" the Fed receives, is a joke we have a very nagging feeling that the text below is actually serious. Which is why instead of Friday humor, we have decided to err on the side of caution and call this segment Friday tragicomedy. Because with a statement such as the following: **"Why not expand the Fed balance sheet exponentially, from its current \$3 trillion to \$33 trillion...** Would \$30 trillion in extra buying power be inflationary when our entire current GDP is only about \$15 trillion? Maybe, maybe not—but we need a game-changer here. First let's celebrate the Fed's record profits and its contribution to reducing our deficit. Then let's seize the moment to do something truly grand: eliminate that stubborn deficit. We have the tools, and I, for one, say let's give it a try."... it shows that the idiotic trillion dollar coin, [Sheila Bair's farcical suggestion](#) to let every American borrow \$10 million from the Fed at zero rates, or even [our suggestion from a year ago](#) that the government build a Death Star, may appear as sheer genius in comparison to what else the Fed may be considering, *and implement*, before all *this* is said and done.

From [BusinessWeek](#)

QE Cubed: A Modest Proposal for More Fed Buying. A Lot More

by **David Kemper**, Chairman, President and Chief Executive Officer of Commerce Bancshares, Inc., and Past President of the Federal Advisory Council of the Federal Reserve



The ongoing depressing news about the American fiscal situation has obscured the startling and very impressive earnings performance recently announced by the Federal Reserve. The Fed, in its usual understated way, just revealed it will be turning over \$90 billion in 2012 profits to the U.S. Treasury, a much-needed contribution that will put a sizable dent in our nation's current \$1 trillion federal deficit.

The Fed's earnings performance over the last several years has been exceptional. It earned more than twice Apple's after-tax earnings last year, the result of a simple but powerful strategy: borrow money at very low rates, then buy long-term bonds.

Now, some people might question the Fed's exceptional results and point out that it has an unfair advantage in that it has a monopoly on manufacturing the U.S. dollar. Yes, the Fed does have extraordinary profit margins, since its cost of goods sold is close to zero (basically paper, some bond traders, and access to the Internet), and yes, so far the demand for new dollars seems unlimited. Meanwhile, we as a society seem to have no stomach for trying to reduce our soaring deficit and our accelerating entitlement programs. No one in our federal

government seems to be willing to work out a long-term fiscal solution. Why not go with a business model that has proven to be such a winner?

That is why I propose the Federal Open Market Committee's next move be to take our central bank to a whole new level—a 2013 campaign that I call QE Cubed. Why not expand the Fed balance sheet exponentially, from its current \$3 trillion to \$33 trillion? Earning an extra 3 percent on another \$30 trillion in bonds would allow the Fed to return an additional \$900 billion to the Treasury—thus wiping out most of our federal deficit while avoiding actually having to do anything about current government spending.

I'm sure some skeptics will scoff that this might be a little irresponsible. They make invoke memories of Weimar Germany. And, oh, by the way, where is the Fed going to find \$30 trillion in acceptable bonds? I am the first to admit that the Fed will have to buy all \$15 trillion or so of our current U.S. debt, as well as most of our agency and some corporate debt, in order to reach an additional \$30 trillion. But we can make this happen! Here's the plan:

The Fed will buy all outstanding Treasury debt held by our major creditors—including the Chinese, the Japanese, the Saudis, Bill Gross, and everybody else. This is not a bad thing; it is a major opportunity consistent with current monetary policy. Let's cut through the economic mumbo-jumbo and put it in human terms: Would you, the American taxpayer, rather owe money to your benevolent rich uncle (the Fed) who is trying to get you a job, or to your no-good brother-in-law (you know who) who is out to steal your business and all your intellectual property? Not a difficult decision. Our current creditors, flush with cash from a \$30 trillion infusion, would have to buy something else, further driving up asset prices and lowering interest rates.

Would \$30 trillion in extra buying power be inflationary when our entire current GDP is only about \$15 trillion? Maybe, maybe not—but we need a game-changer here. First let's celebrate the Fed's record profits and its contribution to reducing our deficit. Then let's seize the moment to do something truly grand: eliminate that stubborn deficit. We have the tools, and I, for one, say let's give it a try.

Das Sorgenkind

Deutschlands gescheiterte Familienpolitik



Angstmacher und Illusionskünstler

01.02.2013 · Die Bohrmethode „Fracking“ hat in Europa viele Gegner, in Amerika aber hat sie den Energiemarkt revolutioniert. Doch selbst wenn das Fracking in Europa akzeptiert wäre, ist ein Gaswunder wie in Amerika illusorisch. Eine Analyse.

Von [Marcus Theurer](#), London



© dpa Ein Protestschild gegen „Fracking“ auf einem Feld in

Norddeutschland.

Noch vor wenigen Jahren war der Begriff nur Fachleuten geläufig. Heute dagegen ist das „Fracking“ von Erdgasquellen in aller Munde. Für die einen ist es ein Schreckenswort, für die anderen die Verheißung von Wohlstand und Wachstum aufgrund günstiger Energie. Die Internationale Energieagentur in Paris fragt daher schon, ob nun ein „goldenes Zeitalter für Erdgas“ ausbreche. Auch die deutschen Wohnzimmer hat die Debatte inzwischen erreicht: Arte widmete dem Disput diese Woche zur besten Sendezeit einen zweistündigen Themenabend.

Das „Hydraulic Fracturing“ ist eine Bohrmethode, die es ermöglicht, Erdöl und Erdgas aus wenig durchlässigem Gestein wie zum Beispiel Schiefer zu fördern. Sie hat den nordamerikanischen Energiemarkt revolutioniert. Die rapide steigende Förderung von Schiefergas (shale gas) und Schieferöl (tight oil) hat maßgeblich dazu beigetragen, dass sich die Vereinigten Staaten binnen weniger Jahre in ein Schlaraffenland niedriger Energiepreise verwandelt haben. Es entsteht eine neue Energie-Supermacht: Fachleute erwarten, dass die Vereinigten Staaten dieses Jahr Saudi-Arabien als größten Ölproduzenten der Welt ablösen werden.

Frankreich, Bulgarien und Rumänien haben Verbote verhängt

Beim Schiefereaubrechen wird unter starkem Druck und in großen Mengen ein Gemisch aus Wasser, Sand und Chemikalien in das Bohrloch gepumpt, um in den Fels Risse zu sprengen, durch die Öl und Gas abfließen können. Die Methode ist hochumstritten. Gegner befürchten, dass der Chemiecocktail das Grundwasser vergiften könnte. Fracking hat auch bereits leichtere Erdbeben verursacht. Frankreich, Bulgarien und Rumänien haben deswegen Verbote verhängt. Deutsche Behörden zögern mit der Genehmigung.

Durch Fracking steigt Amerikas Öl und Gasproduktion



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Bisher läuft in dieser Debatte einiges schief. Das Ausmaß der Fracking-Angst mutet teilweise irrational an. Umgekehrt spielt die Industrie nicht mit offenen Karten. Auf der deutschen Website des Ölkonzerns Exxon-Mobil heißt es beispielsweise, Fracking werde auch hierzulande seit mehr als 50 Jahren angewandt. Das klingt beruhigend. Doch es ist nur die halbe Wahrheit: Lange Zeit wurde Fracking lediglich eingesetzt, um die Förderrate konventioneller Gasquellen zu erhöhen. Für die Schiefergasförderung müssen aber sehr viel mehr und tiefere Risse in den Fels gesprengt werden. Dafür braucht es erheblich größere Mengen an Wasser und Chemikalien. Entsprechend höher sind die Umweltrisiken.

Andererseits: Birgt nicht auch der Verzicht auf die Schiefergasförderung Risiken? Es geht nicht nur um den Umweltschutz, sondern auch um Investitionen und Arbeitsplätze. Energie ist knapper denn je: Prognosen zufolge könnte sich der globale Energieverbrauch in der ersten Hälfte dieses Jahrhunderts verdoppeln. Der Zugang zu relativ preisgünstiger Energie wird deshalb ein immer wichtigerer Standortfaktor. In Nordamerika ist Erdgas heute wegen der Schiefergasschwemme um rund drei Viertel billiger als in Deutschland. Der Ölpreis liegt 15 Prozent niedriger als in Europa, wo Rohöl im vergangenen Jahr im Durchschnitt teurer war als jemals zuvor.

Amerikas Energiewunder

Ökonomen prophezeien wegen dieses Kostenvorteils schon eine „Re-Industrialisierung“ Nordamerikas, die Hunderttausende, vielleicht Millionen Arbeitsplätze schaffe - ein Turbolader für die ins Stottern geratene amerikanische Wohlstandsmaschine, und womöglich eine Trumpfkarte im ökonomischen Machtkampf mit China. Noch ist offen, was am derzeitigen Hype um Amerikas Energiewunder Wunschdenken ist und was Wirklichkeit. Aber Europa könnte zum Leidtragenden des amerikanischen Aufschwungs werden. Schon heute spielt der Kostennachteil beispielsweise in der Chemieindustrie bei der Standortwahl eine wachsende Rolle.

Was kann Europa tun? Realistisch betrachtet lautet die Antwort: nicht allzu viel. Natürlich wäre es fahrlässig, neben den Risiken nicht auch die Chancen auszuloten. Immerhin könnten die Schiefergasvorkommen nach Schätzung der Energieagentur beim heutigen Verbrauch den Bedarf der EU für rund ein halbes Jahrhundert decken. Trotzdem ist es illusorisch, zu erwarten, dass die Schiefergasindustrie im dichtbesiedelten Mitteleuropa eine ähnliche Größenordnung erreichen wird wie in den leeren Weiten der amerikanischen Prärie.

Es geht nicht nur um Akzeptanzfragen, sondern auch um rechtliche und industrielle Hindernisse: Anders als den Vereinigten Staaten sind nach europäischem Recht Bodenschätze nicht Eigentum des Grundbesitzers, sie gehören dem Staat. Entsprechend gering ist der finanzielle Anreiz für Landeigner. Auch das dichte Netz hochspezialisierter und leistungsfähiger Ingenieurfirmen, die in Amerika Motor der Schiefergas-Revolution waren, fehlt in Europa. Aus all diesen Gründen spricht wenig dafür, dass Amerikas Energiewunder auf absehbare Zeit den Sprung über den Atlantik nach Europa schaffen wird - man mag sich aus Angst ums Grundwasser darüber freuen oder es aus Sorge um die Wettbewerbsfähigkeit bedauern.

Quelle: F.A.Z.

Insider



Running on Fumes

Things are beginning to run recklessly hot

68,39

by Chris Martenson

Friday, February 1, 2013, 5:49 PM



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The stock market blasted higher, with the Dow crossing the 14,000 mark because the jobs report came in well under expectations. In today's world, one follows the other.

In yesterday's world, the one where logic and reason ruled the day, that first sentence would not have been written. Economic weakness would not have been rewarded with a big surge in stocks.

But this all makes perfect sense in today's world, once you tilt your view to the "new normal" and get with the program.

I titled this piece 'running on fumes' because, in one very real sense, that's exactly what this current market is doing. The fumes in this case happen to be thin-air money that the Fed is injecting into the financial markets to the tune of \$85 billion per month, or roughly \$4 billion per working day.

When an engine finally runs out of gas and turns to fumes, the last act of that engine is to run really hot – to race for a while – before finally quitting.

Paul Krugman May Be the World's Last Flat Earth Economist

By **Keith Fitz-Gerald**, Chief Investment Strategist, Money Morning

January 31, 2013

Nobel Prize-winning economist and *New York Times* columnist Dr. [Paul Krugman](#) is at it again.

A favorite of the Keynesian crowd, he claimed earlier this week that fixing the deficit is important but added that "doing it now would be disastrous." He also observed that the 10-year U.S. debt situation isn't really all that bad.

At least he's consistent. I'll give him that.

For five years now Dr. Krugman has argued that increasing U.S. government spending is vital to our nation's recovery. And for five years he's been dead wrong.

Since this crisis began, the United States has spent trillions...more money than any nation in history. In the process, it's gone from being the world's biggest creditor to the biggest debtor of all time.

In fact, our national debt is now so high that people literally can't count the zeros. So most have thrown up their hands in exasperation and given up trying.

Now, to be perfectly clear, I don't believe Dr. Krugman is stupid. Far from it - you don't win Nobel Prizes for being an idiot. However, I do believe that he's trapped in the past--an acolyte of sorts to failed economic policies and doctrine that dates to the 1930s.

Some people, like University of Chicago Finance Professor John H. Cochrane, are more pointed, noting that if Krugman were a scientist, he'd be akin to a "flat-earther," an "AIDS-HIV disbeliever" or somebody who believes the continents don't actually move.

This makes him very dangerous in the scheme of things because Dr. Krugman's solution is that "we" just haven't spent enough money...*yet*.

I don't know how he can make that argument with a straight face.

Where Krugman Gets It Wrong

Here's the thing. If Dr. Krugman's ideas and his understanding of modern finance were accurate, our economy would be screaming along at 6%-8% a year, and the debt we've accumulated already would have led to some sort of government-spending utopia.

That obviously hasn't happened. Our nation hasn't had a budget for years, and doesn't look set to come up with one any time soon. Unemployment remains chronically high and we haven't created a fraction of the jobs actually lost since this crisis began. Various studies suggest there are 15 million-20 million people who are underemployed.

Manufacturing has cratered and confidence is slipping. Our financial markets are still appallingly overleveraged and the risks associated with them are more concentrated than ever.

It's no wonder, under the circumstances, that the economy recently slipped back a notch and that GDP contracted by 1% for the first time since Q2 2009, according to the government's latest data.

Krugman has got to understand this, so there's something else driving the man. But what?

I think what Krugman's really hammering on is the implied belief that the government should take charge of all capital markets because private business is incapable of effectively investing for society's good.

In other words, he's dismissing the science of empirical economic data and proof for the fallacy of imperfect information and social engineering. At the same time, he's completely ignoring the dangers of easy money.

In as much as he subscribes to Keynesian economics and its 1930s roots, he's either forgetting or deliberately dismissing another view from the pages of history, that of NY Senator Elihu Root, who warned against the dangers of easy money in 1913, the year the Fed was created.

Root correctly observed 100 years ago that the "expansive" policies of his time would "enlarge business with easy money" but ultimately lead to a crash when "[credit](#) exceeds the legitimate demands of the country." And he pointed to the panics of 1837, 1857, 1873, 1893 and 1907 as examples. I can only imagine what he'd say today.

So why can't Krugman make the same jump?

I don't know, but I find it absolutely galling that he cites treasury markets, low interest rates and Japan as evidence that he's *correct* in his thinking.

Apparently he's willing to overlook the fact that the only reason our treasury markets haven't gone crazy is that Team Bernanke has them on life support with no plans to pull the proverbial plug. If anything, spending more money as Dr. Krugman advocates would accelerate the madness.

Bloomberg reports the latest round of bond buying will top \$1.14 trillion by the end of 2014. There's a reason why the global derivatives industry is now valued at as much as \$1.5 quadrillion. It's because no amount of spending can compensate for the cumulative failure of decades of bad fiscal policy. The markets know this even if, evidently, policy makers don't.

They also know that stimulus spending never works on anything other than a short-term basis. No nation in recorded history has ever bailed itself out by doing what our leaders are doing today.

Spending even more money now would be like giving an addict more drugs on the assumption that it will help him kick the habit later. The private markets have always been and will always be more effective "investors" than central government planners.

As for low interest rates, bear out the presumption that more spending is okay, that notion too is badly flawed.

Stimulative spending depends on the government's ability to convince people to involuntarily reallocate their capital from one bubble to another.

By keeping rates artificially low, the Fed is forcing money from bonds and cash into stocks which is why the markets have rallied. Don't get me wrong, I like rallies just as much as everybody else does. It's what happens "next" that I have a problem with.

Spending more money perpetuates the illusion of wealth by fueling borrowing. Borrowing, particularly at the government level, in turn strips capital from private markets and further bloats the public sector.

Krugman has noted this isn't bad for the dollar. No, it isn't, but it's not exactly great, either. The reality of the situation isn't so much that Dr. Krugman's policies are working, but rather our leaders don't have the political willpower to make the right decisions.

Being wrong in consensus is easier than being right. That's why it's easier to put off difficult decisions even when doing so means higher consequences in the future.

But, back to the issue at hand. The dollar has survived the most inflationary assault in modern financial history relatively unscathed to date because there is no alternative currency on the planet. The Euro is a great big question mark. The Swiss Franc isn't liquid enough, and the Yen is an unmitigated disaster.

So far the Chinese haven't let the Yuan take on the burden, knowing full well that they don't want to play this game which, I think, is the ultimate irony considering how capitalist the world's biggest communists have become.

As for his insistence that Japan is an example of why policies like his and yet more spending is the answer, I can't imagine that Dr. Krugman truly believes that.

The Nikkei has fallen 71.5% from its peak, its domestic economy is in tatters and [China](#) recently brought that nation to its knees in a buyer's strike that crippled already fragile exports without even trying.

Japan's combined public, private and corporate debt is approaching 500% of GDP. How's is that rewarding out of control spending??!! To my way of thinking, Japan's "success" is hardly worth emulating.

Here's How to Really Fix Our Problems

Instead of spending more money on the assumption we'll deal with the problems for having done so later, as Dr. Krugman advocates, what we need to do is cut spending radically.

Our government needs to get out of the way and free up the true capital needed for growth. We need to let dead financial institutions die, including, if necessary, parts of our nanny state itself.

At the same time, we need desperately to return to a strong, fixed-value dollar. From 1790 to 1970 we had one, and the U.S. economy grew at an average annual rate of 3.94% according to Louis Woodhill, who noted as much in *Forbes* last August.

That stands in stark contrast to the 2.81% average annual growth rate for the "fiat" period of 1970 to the present, when our dollar has been allowed to float freely against other currencies and the Fed has been able to print money at will.

Krugman, like other classic Keynesians, has argued for a weak dollar on the assumption that it helps exports and thereby strengthens the economy.

Here, too, the data suggests otherwise. Woodhill noted that dating back to 1950 when the Bureau of Economic Analysis began tracking such things, presidential terms that coincide with strong rising dollar periods reflect average real GDP growth of 3.21% a year. Presidential terms when the dollar is stable produced average real GDP growth of 3.58% a year, while presidential terms when the dollar was falling chalked up a much lower 2.23% average real GDP growth.

And finally, Krugman has argued that the rising inequality of wealth and the irrationality of the markets are primary causal factors behind the mess we're in. So, logically, he wants to spend more money as a means of equalizing both.

He should know better. Higher capital risks equal higher capital returns.

If the government seizes capital, which is effectively what it is doing by printing and diverting expenditures, it lowers both the return on investment and, not coincidentally, the incentive to invest in the first place.

This is why businesses are not spending money and the government cannot kick-start lending at the consumer level, no matter how hard it tries. People have been so badly scarred by the financial crisis that they don't want more debt -- even if it's free.

The other flaw in Dr. Krugman's argument is that cheap capital and government spending does not constitute effective investment. In fact, it creates "malinvestment."

This is a term from the Austrian school of economics that refers to pricing distortions caused by unstable money that actually causes businesses to invest in the wrong assets at the wrong time.

The housing bubble is perhaps the best example in modern times of what I am talking about in this instance. Fueled by an orgy of debt, unregulated derivatives and congressional leaders who determined that housing was a right not a privilege, billions in capital was diverted. For lack of a better term, it was "malinvested" and the results should not have been surprising in the least.

Imagine what would have happened if that money had been appropriately invested in real manufacturing, with real products and real jobs?

The truth of the matter is that more spending would be tremendously counterproductive and our deficits are already a problem. The 10-year picture is *not* okay...it's terrible. We crossed the point of marginal gain a long time ago.

Then again, there's always the little green men.

As Dr. Krugman noted on *CNN* August 8, 2011, defense against space aliens via ditch digging and bulwark building would create a viable economic build-up that would end "this slump [in] 18 months." If they never arrive, he posited, we'd still be better off economically for having prepared.

I'm not so sure.

\$7.66 Trillion Of Stimulus In America From 2008 To 2012, Itemized

Sam Ro | Jan. 21, 2013, 9:56 AM | 11,278 | [47](#)

68,44

The U.S. Government took some enormous steps and continues to take enormous steps to right the economy.

In his [2013 outlook](#), KKR's Henry McVey points to the \$7.66 trillion worth of stimulus as a reason to be bullish on real assets like real estate and commodities.

From McVey:

The United States is running an explicit reflationary policy of holding nominal interest rates below nominal GDP. Though this relationship was slightly more stretched back in the late 1970s, it is again near record levels. We are also dealing with far more liquidity injections by the U.S. government than in the past. In the U.S. alone, monetary and fiscal stimulus as a percentage of GDP has breached the 40% threshold, nearly 5 times what was put into the system after the great depression (Exhibit 52). Moreover, the latest round of quantitative easing is tied to unemployment, which we do not see changing quickly, given that new business formation is still running 35% below the historical average.

Here's a breakdown of all that stimulus.

EXHIBIT 52

Putting Fiscal and Monetary Stimulus in Historical Context

2008-2012 Fiscal and Monetary Stimulus	US\$B
Bear Stearns	29
Economic stimulus checks	178
Bush Home Owners Bailout	300
Automakers Bailout	25
Fannie Mae and Freddie Mac Bailout	400
AIG Bailout	42
Emergency Economic Stabilization Act of 2008 (TARP)	700
American Recovery and Reinvestment Act of 2009	787
Obama Home Owners Bailout	275
Small Business Loans	15
Automakers Bailout	22
Quantitative Easing I	1750
Quantitative Easing II	600
Operation Twist	400
Extending Payroll Tax Cut	100
Quantitative Easing III **	960
Quantitative Easing IV **	1080
Total Stimulus	\$7,663
2011 GDP	15,606
Total Stimulus % GDP	49.1%

** QE III was announced by the Federal Reserve on September 13, 2012 entailing purchases of mortgage backed securities at a pace of \$40B a month, while QE IV was announced on December 12, 2012 and included additional purchases of long term Treasury securities at a pace of \$45B per month. Both programs run until the unemployment rate falls below 6.5%, one and two year inflation expectations remain below 2.5%, and long term inflation expectations remain anchored. We have assumed these programs last 24 months. Data as at December 12, 2012. Sources: Treasury, Federal Reserve, New York Times, Bloomberg, KKR Global Macro & Asset Allocation analysis.

Klage gegen Länderfinanzausgleich steht bevor

04.02.2013 · Hessen und Bayern machen Front gegen den Länderfinanzausgleich. Beide gehören zu den drei Ländern, die einzahlen, während die 13 anderen Geld bekommen. Hessen Ministerpräsident Bouffier beklagt: „Im Gegensatz zu Berlin können wir uns kostenfreie Kindergärten nicht leisten“.

Von [Jan Hauser](#) und [Philipp Krohn](#)



© dpa Zwischen 1990 und 2011 haben Bayern und Hessen jeweils rund 38 Milliarden Euro in den Länderfinanzausgleich gezahlt. Hessen ist also auf die Einzelperson gerechnet der größte Beitragszahler. Die Ministerpräsidenten Bouffier (I) und Seehofer beklagen sich darüber, dass sie sich als Geberländer Leistungen nicht erlauben können, die Nehmerländer ihren Bürgern anbieten.

Hessen und Bayern machen Front gegen den Länderfinanzausgleich. Sie lassen derzeit von verschiedenen Professoren eine Klage vor dem Bundesverfassungsgericht erstellen. Auf einer gemeinsamen Kabinettsitzung wollen die Länder am Dienstag in Wiesbaden den Klageauftrag erteilen. Beide Bundesländer gehören zu den drei Ländern, die einzahlen, während die 13 anderen Bundesländer zu den Zahlungsempfängern zählen. „**Es kann doch nicht richtig sein, dass wir Milliarden Euro abgeben - und ein Land wie Berlin beschließt mit einem Federstrich, dass alle Kindertagesstätten gebührenfrei sind**“, sagte der hessische Ministerpräsident Volker Bouffier (CDU) der F.A.Z. Hessen könne gebührenfreie Kindertagesstätten dagegen nicht bezahlen.

„**Ich kann als Ministerpräsident nicht zuschauen, wie das, was im eigenen Land erwirtschaftet wird, in andere Länder geht, die mit unserem Geld Wohltaten, die ich den Menschen gönne, beschließen und ich unseren Menschen sagen muss: Tut mir leid, das können wir uns nicht leisten**“, sagte Bouffier. Mit der Bayerischen Staatsregierung zieht er an einem Strang. Finanzminister Markus Söder (CSU) sagte am Wochenende, es könne nicht sein, dass beide Länder die verfehlte Haushaltspolitik Berlins subventionierten und am Ende Mehrausgaben für den Berliner Flughafen tragen müssten.

Drei Geber-, dreizehn Nehmerländer

7,9 Mrd. Euro im Länderfinanzausgleich unter den Bundesländern 2012¹⁾

Bundesland	Ausgleichsbetrag in Millionen Euro	je Einwohner ²⁾ in Euro	je Erwerbstätigen ³⁾ in Euro
Geberländer:			
1. Bayern	3904	309	599
2. Baden-Württemberg	2694	249	489
3. Hessen	1327	217	441
Nehmerländer:			
1. Berlin	3323	945	2054
2. Sachsen	963	233	491
3. Sachsen-Anhalt	547	238	495
4. Brandenburg	542	217	437
5. Thüringen	541	244	486
6. Bremen	517	782	1712
7. Mecklenburg-Vorpommern	452	277	577
8. Nordrhein-Westfalen	402	23	49
9. Rheinland-Pfalz	224	56	115
10. Niedersachsen	173	22	46
11. Schleswig-Holstein	129	45	95
12. Saarland	92	91	202
13. Hamburg	21	12	23

1) Rundungsbedingte Abweichungen möglich. 2) Stand Mitte 2012. 3) Bezogen auf Erwerbstätige (ohne Erwerbslose), Stand 2011.
Quellen: Bundesministerium der Finanzen; Statistisches Bundesamt; F.A.Z.-Archiv

F.A.Z.-Grafik Heumann © F.A.Z.

Nach vorläufigen Zahlen des Bundesfinanzministeriums für das Jahr 2012 hat Bayern 3,9 Milliarden Euro in den Ausgleich eingezahlt, Baden-Württemberg 2,7 Milliarden und Hessen 1,3 Milliarden. Hamburg zählte erstmals zu den Nehmerländern. Berlin erhielt mit 3,3 Milliarden Euro die höchsten Zuweisungen. **Baden-Württemberg, das dritte Geberland, lehnt eine Klage derzeit ab. Das aktuelle System sei zwar grotesk, sagte Ministerpräsident Winfried Kretschmann der Deutschen Presse-Agentur. Es bestehe kein Anreiz für Nehmerländer, die Steuereinnahmen auszubauen, weil sie die Mehreinnahmen in den Finanzausgleich einzahlen müssten. Aber eine Klage dürfe nur das letzte Mittel sein, wenn selbst Verhandlungen zu keiner Lösung führten.** Das bestehende System läuft ohnehin 2019 aus und muss von den Bundesländern bis dahin neu ausgestaltet werden. Eine Klage Hessens und Bayerns werde für die Suche nach einer Lösung hinderlich sein, sagte Thüringens Ministerpräsidentin Christine Lieberknecht in einem Radiointerview.

Bouffier will Finanzausgleich nicht vollständig abschaffen

Bouffier verlangt, dass die Bundesregierung die Hauptstadtfunction der Stadt Berlin finanziert, die auch je Einwohner die höchste Zahlung erhält. Die Bevorteilung von Stadtstaaten soll aufgehoben und die Finanzkraft der Gemeinden weniger stark angerechnet werden. „Hamburg erhält nur Geld aufgrund der Festlegung, dass der Hamburger Bürger ein Drittel mehr wert ist als ein Frankfurter“, sagte Bouffier. Zudem sollen Lohn- und Einkommensteuer nicht nur nach dem Wohnsitzprinzip, sondern in einem Verhältnis zum Wohnsitz und Arbeitsstätte aufgeteilt werden. Das würde Zahlungen an Nehmerländer mit starker Einpendlerbewegung verringern.

Trotz seiner Kritik will Bouffier den Länderfinanzausgleich nicht vollständig kippen. „Wir sind ordentliche Leute und bleiben solidarisch“, sagte er. Hessen solle aber deutlich weniger zahlen. Nach seinem Vorschlag sollten die Geberländer die Summe ihrer neuen Schulden von der Zahlung an die anderen Bundesländer abziehen können.

Question of Aiding Cyprus Places Germany in a Bind

By [LIZ ALDERMAN](#)

PARIS — When German officials said they would save the euro zone at all costs, the prospect of bailing out Russian oligarchs was not what they had in mind.

But eight months before a crucial election in [Germany](#), Chancellor [Angela Merkel](#) is facing charges that Europe is doing just that as the tiny island of Cyprus, a haven for Russian cash, threatens to become the next point of contention in the euro crisis.

In recent days, Germany has signaled that it is reluctantly edging toward a bailout for Cyprus, after lifelines have been extended to Greece, Ireland and Portugal to prevent potentially calamitous defaults. While Cyprus makes up just a sliver of the euro zone economy, it is proving to be a first-rate political headache.

“I don’t think that Germany has ever in the history of the euro zone crisis left itself so little wiggle room,” said [Nicholas Spiro](#), the managing director of [Spiro Sovereign Strategy](#) in London. “But Germany wants the euro to succeed and survive, and they are saying we can’t afford a Cyprus bankruptcy.”

But giving a bailout to Cyprus is trickier than it seems. Cyprus’s politicians would prefer not to take European money, which comes with the harsh austerity conditions that have spread misery in Greece. And they can argue that Cyprus was doing relatively well until Greece’s second bailout, when Greek government bonds — of which Cypriot banks held piles — lost considerable value.

The question of keeping the euro together had seemed to be conveniently fading for Ms. Merkel, who in the fall put her full backing behind the euro zone, quieting fears of a breakup. But Berlin seems to have been caught off guard by the political tempest stirred up by Cyprus, which has been shut out of international bond markets for a year but has been kept afloat by a \$3.5 billion loan from the Russian government.

With that money running out, Germany and its European partners have been locked in a fierce debate over whether and how to throw Cyprus a lifeline. The problem is, most of the money lost by Cypriot banks was Russian, and the worry is that most of the bailout money could wind up in the hands of Russian oligarchs and gangsters. That fear, backed by a recent report by German intelligence, has stoked a furor even among some of Ms. Merkel’s political partners. “I do not want to vouch for black Russian money,” Volker Kauder, a prominent member of her conservative bloc, said recently.

The Russian presence is thick on Cyprus, a picturesque Mediterranean island and a onetime British colony. The bustling, large city of Limassol has an enclave of restaurants, shops and fur boutiques so packed with Russians that locals call it “Limassolgrad.”

Officials in Cyprus say there is no proof that the Russian cash in its banks is of dubious origin, and they insist that they cracked down on money laundering before joining the [European Union](#). The officials point to an evaluation by the [Organization for Economic Cooperation and Development](#) showing that Cyprus is compliant with more than 40 directives against money laundering.

While any lifeline for Cyprus would be small — about \$22 billion compared with about \$327 billion for Greece — the quandary has reverberated in Europe’s halls of power, and especially in Berlin, which appears to have been backed into a corner by Ms. Merkel’s commitment to keep the euro zone together no matter what.

The outspoken German finance minister, Wolfgang Schäuble, recently cast doubt on whether Cyprus should even be considered for a bailout, given its small size and the stark reality that it is not nearly as vital to the

euro's existence as the larger economies of Spain or Italy. His blunt assessment reportedly drew an admonishment from Mario Draghi, the president of the European Central Bank, which has spent hundreds of billions of euros on a program intended to discourage financial market speculators from attacking euro zone countries.

“We have reached a point of relative stability in the euro zone crisis, so letting Cyprus go could stir up the waters again and trigger another wave of speculation,” said [Hubert Faustmann](#), an associate professor of history and political science at the University of Nicosia in Cyprus.

With Russia refusing to provide any further financing unless the so-called troika of creditors — the European Central Bank, the International Monetary Fund and the European Commission — provides most of the bailout, the Cypriot government has few options. It signed a memorandum of understanding in November with the troika, setting off a wave of austerity measures that are already starting to hit the enfeebled Cypriot economy.

The salaries of public sector workers have since been slashed by up to 15 percent, state pensions are to be cut by up to 10 percent and the [value-added tax](#) is set to rise. “The island has been hard hit, and there is an atmosphere of fear,” Mr. Faustmann said. “People are not sure if they will keep their jobs, and if they do, how long they will have them.”

Mr. Faustmann estimated that it would take at least a half-decade for the Cypriot economy to recover — assuming that the conditions required by Germany and the troika do not send Russian money fleeing from the banks. “If that happens,” he said, “then Cyprus is dead.”

Nicholas Kulish contributed reporting from Berlin, and Jack Ewing from Frankfurt.

More in France Are Turning to Islam, Challenging a Nation's Idea of Itself

By MAÏA de la BAUME

CRÉTEIL, France — The spacious and elegant modern building, in the heart of this middle-class suburb of Paris, is known as “the mosque of the converts.”

Every year about 150 Muslim conversion ceremonies are performed in the snow-white structure of the Sahaba mosque in Créteil, with its intricate mosaics and a stunning 81-foot minaret, built in 2008 and a symbol of Islam's growing presence in France. Among those who come here for Friday Prayer are numerous young former Roman Catholics, wearing the traditional Muslim prayer cap and long robe.

While the number of converts remains relatively small in France, yearly conversions to Islam have doubled in the past 25 years, experts say, presenting a growing challenge for France, where government and public attitudes toward Islam are awkward and sometimes hostile.

French antiterrorism officials have been warning for years that converts represent a critical element of the terrorist threat in Europe, because they have Western passports and do not stand out.

In October, the French police conducted a series of antiterrorism raids across France, resulting in the arrests of 12 people, including at least three French citizens who had recently converted to Islam. Converts “often need to overdo it if they want to be accepted” as Muslims, and so veer into extremism more frequently than others, said Didier Leschi, who was in charge of religious issues at the Interior Ministry under former President Nicolas Sarkozy.

There are persistent concerns that French prisons are fertile ground for conversions and for Islamic radicalism; observant Muslims are thought to make up at least a third of the inmate population, according to French news reports.

Many Muslims counter that they regularly face prejudice, and consider a 2010 law banning the full-face veil from public spaces and the growing concern with conversions as reflections of French intolerance.

Whatever the impact, there is little doubt that conversions are growing more commonplace. “The conversion phenomenon is significant and impressive, particularly since 2000,” said Bernard Godard, who is in charge of religious issues at the Interior Ministry.

Of an estimated six million Muslims in France, about 100,000 are thought to be converts, compared with about 50,000 in 1986, according to Mr. Godard. Muslim associations say the number is as high as 200,000. But France, which has a population of about 65 million, defines itself as secular and has no official statistics broken down by race or creed.

For Mr. Godard, a former intelligence officer, it is the “nature” of conversions that has changed.

Conversions to marry have long been common enough in France, but a growing number of young people are now seen as converting to be better socially integrated in neighborhoods where Islam is dominant.

“In poor districts, it has become a reverse integration,” said Gilles Kepel, an expert on Islam and the banlieues, the poor, predominantly Muslim neighborhoods that ring Paris and other major cities.

Many converts are men younger than 40, experts say, often born in France's former African colonies or overseas territories.

Charlie-Loup, 21, a student from nearby St.-Maur-des-Fossés, converted to Islam at 19, after a troubled adolescence and strained relations with his mother. He grew up Roman Catholic but had many Muslim friends at school. “Conversions have become a social phenomenon here,” he said, asking that his surname not be used because he considered his conversion a private initiative and did not want to draw attention to himself. Some convert simply “out of curiosity,” he said.

In some predominantly Muslim areas, even non-Muslims observe Ramadan, the Muslim holy month that requires fasting during the day, because they like “the group effect, the festive side of it,” said [Samir Amghar](#), a sociologist and an expert on radical Islam in Europe.

In many banlieues, Islam has come to represent not only a sort of social norm but also a refuge, an alternative to the ambient misery, researchers and converts say.

For Mr. Amghar, Islam provides more structure and discipline than other religions. It is a way to “refuse modernism,” get back to a society with more family values and a clearer distinction between men and women. “Islam has a peaceful effect on the converts,” Mr. Amghar said. “The world looks clearer after they’ve converted.”

In Marseille, on the southern coast, “conversions have increased at an incredible pace in the last three years,” said Abderrahmane Ghoul, the imam of the major mosque of Marseille and the president of the local branch of the French Council of the Muslim Faith. Mr. Ghoul signed about 130 conversion certificates in 2012.

[Hassen Chalghoumi](#), the moderate imam of Drancy, another suburb near Paris, says he thinks conversions have also been propelled by France’s official secularism, which he says breeds spiritual emptiness.

“Secularism has become antireligious,” Mr. Chalghoumi said. “Therefore, it has created an opposite phenomenon. It has allowed people to discover Islam.”

Many experts note the influence of celebrity converts, particularly soccer players. Nicolas Anelka, a regular on the French national team whose parents came from Martinique, changed his name to Abdul-Salam Bilal Anelka when he converted to Islam in 2004. Franck Ribéry, a popular player from northern France, converted to Islam in 2006 to marry a Muslim woman, Wahiba, and took the name Bilal Yusuf Mohammed.

But there is rising anxiety here about the influence of Islam, especially conservative Salafist Islam, particularly among those on the center-right. Islam is regularly at the center of heated debates about the nature and future of France and its culture, and politicians can win attention and support by criticizing the expansion of Muslim customs into the wider public sphere: for example, the rise of women-only sessions in public swimming pools or the increasing availability of halal food.

In 2009, a photograph from the magazine Paris Match showing Diam, a popular female rapper, wearing a hijab, or head covering, on a Paris street set off a flood of angry comments from officials and commentators. [Fadela Amara](#), a former secretary of state for urban affairs and founder of a feminist group, Neither Whores Nor Submissives, said that the hijab sent out a “negative image of women” and described it as “a real danger for young women in poor districts.”

But Diam’s dismissed her critics, saying that having her hijab did not make her a radical Muslim, and that her conversion was a personal choice that had helped her with depression.

Recent arrests of radical Muslim converts have also increased concern among public officials and Muslim leaders, though radical Islam is by no means the norm among converts.

Rafaello Sillitti, the owner of the bookstore Averroès, which occupies a small space in the Créteil mosque, is convinced that converts like him can be the best advocates of Islam. He sells carpets equipped with compasses to help users orient themselves toward Mecca and a wide range of books written by Muslim scholars, with titles like “Be Master of Your Physical Desire” and “How to Use a Cellphone According to Islamic Law.”

“We must get rid of an imaginary Islamic culture,” Mr. Sillitti said, referring to the clichés and misapprehensions connected to Islam in France. “We must show that French culture and Islam can live together in peace.”

02/04/2013 04:42 PM

Influx from the Southeast

68,51

German Cities Complain of High Immigration

Immigration to Germany from southeastern Europe has dramatically increased in recent years and the country's municipalities are struggling to absorb the influx. Now, German cities are taking a close look at the problem and may ask for help from Berlin or even the European Union.

German cities are concerned about the increased numbers of Romanians and Bulgarians migrating to Germany in recent years. "The social balance and social peace is extremely endangered," reads an internal paper produced by the German Association of Cities, which SPIEGEL has seen.

The document notes that many immigrants from southeastern Europe move into parts of German cities that suffer from high unemployment. In particular, Berlin, Dortmund, Duisburg, Hamburg, Hanover, Munich and Offenbach are said to have experienced difficulties with absorbing the [large number of newcomers](#). In some cities, immigration from Romania and Bulgaria has increased six-fold since 2006.

Of particular concern is that many of those coming from southeastern Europe come from [financially unstable backgrounds](#), the paper notes, and are not well educated, making it virtually impossible for them to find jobs once in Germany. The [influx of Roma](#), the document says, presents an especially difficult challenge given that they often end up living in desolate conditions once they arrive.

The German Association of Cities is currently in the process of analyzing the problem, with several working groups examining discrete aspects of the issue and exchanging ideas for possible solutions. The group is also looking at what kind of assistance that it might request from the European Union or from the German federal government in Berlin. According to the Association paper, German municipalities face "significant costs as a result of this poverty migration."

'Expect Support'

"We expect serious support from the federal government," Detlef Scheele, responsible for the social portfolio for the city-state of Hamburg, told SPIEGEL. He has also called for a working group representing German states to meet this week to examine the problem.

Concerns about increased immigration from Romania and Bulgaria are by no means limited to Germany. The German Association of Cities notes that several other cities in Europe are likewise struggling to absorb the newcomers.

Indeed, Britain generated numerous headlines last week when it was reported that the country was working on ways to convince potential immigrants not to come, including launching a reverse PR campaign [portraying Britain in a negative light](#). The *Guardian* even asked its readers to [submit their own posters](#) of what those adverts might look like.

The reactions from southeastern Europe were not long in coming. Bulgarian Foreign Minister Nikolai Mladenov noted acidly that "the British become Europeans when it has to do with the movement of capital and financial services. But when it has to do with EU-wide policies, they are an island."

Romania, meanwhile, took a more humorous approach. The Gandul news website launched a campaign to try and attract Britons to Romania. "Half of our women look like Kate. The other half, like her sister," read one mock advertisement in reference to Kate Middleton and her sister Pipa. The tagline on the poster reads: "We may not like Britain, but you will love Romania. Why don't you come over?"

So many ways to fail

Feb 4th 2013, 18:01 by R.A. | WASHINGTON

TODAY was a brutal day for European markets that haven't had many brutal days of late. Bond yields were up around the periphery, and equities were down sharply, led lower by Italian shares. It would be premature to declare a new flare-up for the euro-area crisis. Yet this should be a reminder to Europe that complacency is the enemy and that the single currency is still in very vulnerable shape. There are simply too many ways for things to go awry.

Recent economic data have been decent, by euro-area standards. While output still seems to be contracting across much of the euro area, the pace of decline seems to be easing, for [industrial activity](#) as well as [employment](#). Given quiescent financial markets and a growing world economy, one could imagine a return to growth for the euro-area economy by the end of the year. Yet the number of potential *political* stumbling blocks is sufficient to drive one to despair. Like the brewing [scandal](#) around Spanish Prime Minister Mariano Rajoy, which could potentially endanger his government. Or the distressing threat of [political violence](#) in Greece. Or the state of play in Italy, where scandal is also [unfolding](#) in the banking system, while Silvio Berlusconi continues to press his [political comeback bid](#).

In every case, there are multiple layers of uncertainty to consider. What might be the direct impact of, say, developments in the Italian banking sector on the strength of the banking system there? Additionally, how might political developments around the periphery affect planned reforms? Conceivably, political conditions could slow the pace of austerity (Mr Berlusconi is calling for tax cuts, for instance). Yet then one has to wonder how other European institutions might react. The European Commission (with a strong German influence) and the European Central Bank relied on high bond yields to wring reforms from reluctant peripheral governments and, more or less, to engineer regime change when necessary. The replacement of Mr Berlusconi with reform-minded technocrat Mario Monti was a key ingredient in winning ECB intervention in financial markets and German political concessions to the periphery. What if some of these reforms and political shifts are undone?

Again, the latest market dip may be no more than a brief stumble. But Europeans are running enormous risk in falling complacent while markets are behaving in benign fashion. The ECB, especially, deserves criticism. In acting heroically to prevent a market-driven break-up only to stand by while recession tightens the screws on the periphery it has sowed the seeds of political crisis and a return to market havoc. A return to euro-zone growth wouldn't have prevented the emergence of scandal in Spain and Italy, of course. But it would have reduced the likelihood that political shenanigans would throw the whole of the single currency back into crisis.

Maybe things in Europe will turn out all right. But there are so many more ways for things to go wrong. And the risk of something going wrong is all the greater for Europe's lackadaisical approach to serious recession and a growing unemployment problem.

Who Says the Euro Crisis Is Over?

Even if the euro survives, the crisis isn't over until the periphery starts growing and people start finding jobs.

By [URI DADUSH](#)

The 18 million unemployed people in the euro zone must be puzzled by the rising euro and buoyant European stock markets. They must be amazed at the triumphalist tone of commentators proclaiming that the euro crisis is over. Markets believe that European Central Bank President [Mario Draghi](#)'s emphatic promise that the ECB will buy the bonds of troubled countries has all but eliminated the risk of a collapse. But it's not over until the fat lady sings—and in this case, that means until the European periphery starts growing again and people start finding jobs.

Until then, the risk of relapse—triggered by domestic rifts or an external economic shock—will remain high. The euro zone can fail even if the single currency survives.

I recently heard a prominent opposition politician from a stricken European country dismiss the shift in financial-market sentiment, arguing that current policies are on the road to nowhere. When I asked him how he thought it would end, he answered with the "boiling frog" allegory: If you put a frog in scalding water, he said, it will jump out. But if you place it in cold water and slowly raise the heat, it will stay put, eventually being boiled to death.

In other words, even if an explosion that propels a country out of the euro is avoided, the problems remain. Like the gradually boiling frog, the periphery countries may manage to stay in the euro but remain in depression, with continued emigration and de-industrialization.

This is hardly a theoretical scenario. History is full of examples of regions within a currency union that became uncompetitive and failed to keep pace even though a large central government was there to help. Think, for example, of the Mezzogiorno in Italy, of Extremadura in Spain, or of Sertão Nordestino in Brazil, of West Virginia and Mississippi in the U.S., of the Indian state of Bihar.

Of course, there are also plentiful examples of countries with their own currency that fell behind. But Spain, Italy and Ireland, among others, were relatively successful economies that adopted the euro in the hope they would do even better—not to enter ongoing recessions or become wards of the ECB.

Instead of a region of shared and uniform prosperity, the euro zone has become a study in internal divergence. Though it was once on the way to catching up with the U.S., it is now falling farther and farther behind.

The numbers are staggering. Unemployment is at 26.8% in Greece, 26.6% in Spain, 16.3% in Portugal, 14.6% in Ireland, 11.1% in Italy—and joblessness is still rising in all of these countries. Meanwhile, the unemployment rate is 5.4% in Germany and 7.8% in the U.S.

Italy's gross domestic product has fallen by 6% since the pre-crisis peak in 2007, whereas Germany's is up 8%. In the U.S., where the world financial crisis began, GDP has surpassed its pre-crisis peak by 7%. By comparison, Europe's GDP is only 2% above its pre-crisis level.

These divergences don't simply reflect well-known differences in labor-market flexibility, business climate and government efficiency that distinguish the European periphery from the core, and the euro zone from the U.S. Rather, they mostly reflect the euro zone's shackling economic policies.

Both fiscal policy and, until recently, monetary policy in the euro zone has been incommensurate to the severity of the crisis, far more so than the policy response in the U.S. The fiscal stance in Europe remains contractionary, reflecting the inexistence of a large central government, the inability of the periphery countries to borrow, and a fiscally conservative government in Germany, where the effect of the crisis has been felt much less.

The limited monetary-policy response, which is now changing belatedly, was also the result of a conservative approach by the core, especially Germany. Certainly, monetary-policy instruments are always too blunt to respond to divergent economic trends within a large currency area. But the fear that a "transfer union" is being created surreptitiously under the cloak of monetary policy still plays a role in limiting the ECB's response.

Is there anything wrong with a little cheer, after so much doubt and agony over the endangered euro? No, except that the euro was created not for its own sake, but for the enhancement of prosperity and unity in Europe. By that standard, there is little to be celebrating about. Not yet, anyway.

Falling interest-rate spreads and improving financial markets are not enough to reignite growth and competitiveness. Continued structural, tax and institutional reforms are essential, but the momentum is faltering. In Italy, Pier Luigi Bersani's center-left party leads the polls—and has made absolutely clear its opposition to badly needed labor-market reforms. Ex-Premier Silvio Berlusconi, who wants to reverse Mario Monti's property levies, has been politically resuscitated.

In Brussels, plans for a banking union are advancing, but at a snail's pace. Proposals for forgiving official-sector debt holdings are dead on arrival. Fiscal union is not on the table. A little financial cheer, it turns out, is a dangerous thing.

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The EU has changed Britain – and mostly for the better

Besides the money for infrastructure projects, EU membership has given Brits the chance to see how Europeans do things, and what we could do better



The irony remains delicious.

Europe House in Smith Square, where the European Commission and the European Parliament have their joint London headquarters, is the very building – the former Conservative Party Central Office – where [Margaret Thatcher](#) celebrated her election victories. And when it was officially inaugurated in its new guise, a little over two years ago, much fun was had by the assembled Europhiles speculating how the Foreign Secretary might contrive not to be photographed beneath the European flag – public buildings in the UK being almost unique in the EU in not flying the blue and gold confection alongside the national flag.

So there were plenty of ghosts at the party when the troika of prominent British Europhiles chose Europe House for the launch of their proto-Yes campaign this week. Ken Clarke (Conservative, minister without portfolio), Lord Mandelson (Labour, former EU commissioner and spin doctor supreme) and Danny Alexander (Liberal Democrat, chief secretary to the Treasury) are jointly fronting the Centre for British Influence, which will argue the case for the UK to stay in – when, or if, David Cameron gets around to holding his promised In/Out referendum on the European Union.

Talk about low-key, though. The very name, the Centre for British Influence, makes the new group sound almost like an affiliate of [Ukip](#). There are outright anti-EU organisations that sound more engaged with Europe than this. If the CBI – an unfortunate, or perhaps deliberate, overlap – is to be the kernel of a future Yes campaign, it looks awfully like a lobbying effort by stealth. Is the thinking perhaps that a below-the-radar approach is the only one that will persuade British voters to grasp the pro-EU message?

In fact, this might not be a bad strategy. Not only because polls have, until recently, shown a rise in pro-Europe sentiment only when the subject leaves the headlines, but because – rather like the EU planting its flag

discreetly on London's enemy territory – the EU's impact on Britain has been so gradual as to be barely perceptible. Seen overall, however, from the perspective of the past 40 years, it has been enormous, and almost entirely beneficial.

You could argue that it is hard to separate the influence of the EU from the general process of internationalisation that has accompanied improvements in transport and communications. But for a glimpse of how the UK might have developed – or not – without membership of the EU, or the European Economic Community as it was, you might consider Australia as it was 20 years ago, before it reconciled itself culturally to its geography. It was self-absorbed and seemingly content with its lack of ambition, its housing frozen in time and its tasteless English food. Just as we were.

It took Britain's entry [into the EU](#), and the ending of Commonwealth trade ties, to force Australia back on to its own – immensely rich – resources. The same process forced Britain to discover its European self. Closer to home, you could take Malta; 20 years ago, it was introspective, parochial and potentially the object of a tussle between the UK and the Maghreb. Now, it is identifiably, positively, part of Europe.

Many benefits of EU membership are tangible, and Britain has not been excluded. There is money for infrastructure projects, which – unlike most EU countries – we choose not to announce with grateful placards. And there is the mass of common standards to be met, which make us part of a bloc that has become a global regulatory force. To [Euroseptics](#) this is Brussels "red tape"; we might rather describe it as an entry ticket to civilisation.

But the greatest change for the better from our four decades inside the EU has to do with the country's general outlook. Membership has given the Scots and the Welsh a sense of security that allows them to affirm their national identity in a positive way they were not able to before – an effect that could also be seen in the smaller accession countries. It may eventually do the same for the English. Most of all, though, by exposing Britons to other Europeans and vice versa, it has made us individually, and collectively, more aware of how other Europeans do things, and what we could do better, too.

It has socialised us to an extent many have perhaps not realised. Join the queue to board the Eurostar at St Pancras station, or line up at the easyJet departure lounge at almost any airport in the land, and you will meet a European world, which seems normal and familiar, but would not have been a generation ago.

The difference is not about food or café culture, or the arrival of Zara or Novotel – though the EU has improved our quality of life in all these respects. Nor is it about language per se; Britons retain a foolish pride in their hopelessness at foreign languages. What has changed is our awareness and acceptance of the different European accents and mores. I still remember that one girl in my junior school class went on holiday to Spain. It was such a novelty that the teacher had us all making a model bullring. And now? There can be no return to that parochialism. Not only because European consciousness is now lodged inside our heads – yes, even in the head of Nigel Farage – but because our friends and neighbours will do their utmost to prevent it.

Since the start of the UK's latest in/out spasm around a year ago, I have lost count of the diplomats in London who have asked, not in glee, but in trepidation, whether it is really possible that Britain could leave the EU. They include Europeans, of course, but also Chinese, Japanese, Russians and, not least, Americans. The warning from Philip Gordon, of the US State Department, followed by President Obama's telephone appeal to David Cameron – made public by the White House – should have left no one in any doubt. Britain's strength, its international influence and its 21st-century identity are perceived by the outside world, above all, as European. That is how others see us. It is also, deep down, how tomorrow's Britons will see themselves.

Le niveau de l'euro inquiète gouvernement et entreprises

Par [Marie Visot](#) Mis à jour le 05/02/2013 à 06:52 | publié le 04/02/2013 à 20:19 [Réactions](#) (6)

68,57



François Hollande et le ministre de l'Économie, Pierre Moscovici. Crédits photo : Optional,TTL/citizenside.com

Les ministres français n'hésitent plus à parler d'un euro « trop fort ». Avec un objectif : que les instances européennes se saisissent du sujet. Les entreprises commencent aussi à tirer la sonnette d'alarme.

C'est une petite musique traditionnelle qui recommence à se faire entendre. Il y a quelques jours, dans un entretien au *Figaro*, la ministre du Commerce extérieur, Nicole Bricq, commençait timidement à reconnaître qu'«un [euro](#) qui monte trop peut effectivement être pénalisant pour nos entreprises». Sortant - un peu - de sa légendaire prudence, le ministre de l'Économie, **Pierre Moscovici, ajoutait dimanche que «l'euro est fort, peut-être d'ailleurs trop fort à certains égards»**. «Nous sommes attentifs à cette question, qui fait l'objet de toute l'attention du président de la République, du premier ministre et du gouvernement français», avait auparavant déclaré le ministre du Redressement productif, Arnaud Montebourg.

«Dévaluation compétitive»

Bref, avec le soutien de l'Élysée, l'exécutif français est à l'offensive. S'il s'émeut du niveau de la monnaie européenne, c'est parce qu'il veut que «les Européens se saisissent de ce sujet de préoccupation, à la fois pour la croissance et pour les entreprises», souligne une source gouvernementale. Ces dernières sont en effet directement touchées par la variation des monnaies. Le numéro un mondial du luxe [LVMH](#) vient d'exprimer publiquement son inquiétude. Jeudi dernier, son PDG, Bernard Arnault, a dit **craindre «une bataille monétaire, de dévaluation compétitive»**, qui «risque d'avoir un impact sur les affaires des exportateurs français». Il n'a d'ailleurs pas exclu d'avoir, le cas échéant, à «augmenter (ses) prix» pour compenser une telle situation. Chez EADS, la maison mère d'Airbus, on rappelle régulièrement qu'une baisse de dix centimes du dollar par rapport à l'euro représente une perte nette de plus d'un milliard d'euros pour le constructeur. «Je préférerais, pour certains secteurs en particulier, que l'euro soit un peu plus bas, disait de son côté la présidente du Medef, [Laurence Parisot, lors du «Grand Jury RTL-LCI-Le Figaro» dimanche](#).

Lors de son introduction, le **On peut espérer que le gouverneur de la Banque centrale européenne (BCE), Mario Draghi, s'exprime sur le sujet. C'est à lui de donner un signal qui permettrait de rééquilibrer les choses»**. **1er janvier 1999, un euro valait 1,665 dollar ; ce lundi, il touchait 1,35 dollar**. Même s'il est encore loin de **ses plus hauts niveaux - près de 1,60 en avril 2008 -**, il atteint le seuil à partir duquel les inquiétudes commencent à se manifester. **Celui à partir duquel les produits européens coûtent vraiment plus cher que ceux fabriqués aux États-Unis, en Chine ou au Japon libellés en dollars, en yuans ou en yens**. Ce qui, du coup, présente des inconvénients pour les entreprises qui exportent dans une monnaie différente. **Dans le même temps, acheter des produits hors de la zone euro coûte moins cher pour le client européen, ce qui présente comme principal avantage de faire baisser la facture énergétique**.

Sans évidemment expliquer la totalité de la dégradation de la balance commerciale française - **les deux tiers des exportations de l'Hexagone se font en zone euro** -, l'euro n'en a pas moins eu un rôle de poids dans les 73 milliards d'euros de déficit enregistrés en 2011 et les près de 70 milliards de 2012 - quand la Chine, elle, dégagait un excédent de 150 milliards de dollars il y a deux ans. «Les monnaies doivent davantage refléter l'état de chacune des économies», avait déclaré François Hollande début novembre, alors en déplacement au

Vietnam. **«Les pays qui dégagent de forts excédents doivent accepter la réévaluation de leur monnaie.** Depuis plusieurs mois, la Chine a d'ailleurs déjà accepté de le faire et elle doit continuer de le mener à bien de façon à ce qu'il puisse y avoir un rééquilibrage par les marchés des changes», avait insisté le chef de l'État.

Ce débat sur le niveau de l'euro face aux autres monnaies (dollar, yuan et yen) est loin d'être nouveau. Il s'agit d'un point de friction régulier entre la France et l'Allemagne (voir ci-dessous). Nicolas Sarkozy avait en son temps dénoncé à plusieurs reprises «l'euro fort» alors que Berlin disait «l'aimer».

Deux mères = un père ?

LE MONDE | 03.02.2013 à 10h46 • Mis à jour le 04.02.2013 à 08h24 Par Sylviane Agacinski

68,59



Rien n'illustre mieux la coriacité de la dissymétrie des sexes que la confrontation de chacun avec la question de la procréation. Comme tout le monde, les homosexuels rencontrent cette question et, jusqu'à présent, ils n'avaient pas d'autre possibilité que de se [tourner](#) vers une personne de l'autre sexe.

Ce qui a changé, au point de [faire](#) émerger la notion d'homoparentalité, c'est la possibilité, au moins apparente, de se [passer](#) de l'autre sexe pour "avoir" des enfants, comme on l'entend [dire](#) si souvent à la radio : telle actrice célèbre "*a eu des enfants avec sa compagne*". On en oublierait presque ce que cette merveilleuse performance doit aux techniques biomédicales et au donneur de sperme anonyme mis à contribution en [Belgique](#) ou en Californie.

Mais le don de sperme et l'insémination artificielle sont depuis longtemps pratiqués en France pour des couples "classiques" dans le cadre de la procréation médicalement assistée (PMA) sans que l'on s'en émeuve ni que l'on s'interroge sur la transformation des personnes qui donnent la vie en simples matériaux biologiques anonymes tandis que les enfants deviennent des produits fabriqués à la demande et par là même, dans certains pays, des marchandises. On connaît aujourd'hui les ravages que produit souvent, sur les enfants, l'organisation délibérée du secret maintenu autour de la personne de leur géniteur, même lorsqu'un père légal existe et qu'il a joué pleinement son rôle.

Ainsi, la première réflexion qui s'impose à nos [sociétés](#) modernes, avant tout bricolage législatif sur les modalités de la filiation, concerne la distinction, fondamentale en droit, entre les personnes et les choses. Le philosophe Hans Jonas regardait la responsabilité des êtres humains à l'égard de leur progéniture comme l'archétype de la responsabilité. Les donneurs de sperme et les donneuses d'ovocytes sont d'abord des êtres humains : on dit qu'ils donnent des cellules à "un couple", alors qu'ils contribuent à [donner](#) la vie à un enfant, que celui-ci le saura un jour et demandera des comptes.

Non pas qu'il aura souffert dans son enfance, mais parce que, en tant que personne lui-même, il voudra [savoir](#) de quelles personnes il est issu et quelle est son histoire humaine. C'est pourquoi il est urgent d'[entreprendre](#) une réflexion globale sur le rôle de la [médecine](#) procréative et sur les conditions éthiques de ses pratiques, quels que soient les couples auxquels sont destinées ces pratiques. Un projet de loi sur la [famille](#) ne peut certainement pas [remplacer](#) une telle remise à plat.

En se tournant vers le Comité consultatif national d'éthique, le président de la République va dans le bon sens. Le problème est différent pour les hommes - dissymétrie sexuelle oblige -, car la procréation homoparentale nécessite un don d'ovocytes et l'usage de mères porteuses.

Là encore, cette pratique ne concerne pas seulement les couples gays. Mais ce sont eux qui militent le plus activement pour sa légalisation, par exemple par la voix du groupe Homosexualité et socialisme ou celle des associations LGBT (lesbiennes, gays, bi et trans). A cet égard, les positions du gouvernement paraissent claires. Il exclut toute légalisation de l'usage de femmes comme "mères porteuses", conscient de la marchandisation du corps qu'elle entraîne inévitablement, avec l'exploitation des femmes socialement fragiles, comme cela se passe dans d'autres pays.

Mais il est alors inquiétant et incohérent que [Dominique Bertinotti](#), la ministre déléguée chargée de la famille, s'obstine à [annoncer](#) qu'on continuera à [examiner](#) cette question ; ou que la ministre de la [justice](#), dans une circulaire pour le moins inopportune, accorde un certificat de nationalité aux enfants nés de mères porteuses à l'étranger. Il faut [savoir](#) que les enfants nés de cette façon disposent d'un état civil délivré par le pays où ils sont nés, qu'ils ne sont nullement dépourvus de papiers d'identité et peuvent [mener](#) une vie familiale normale. On ne pourrait [comprendre](#) que, par des voies détournées, on donne finalement raison à ceux qui contournent délibérément la législation en vigueur.

Mais n'est-ce pas d'abord aux futurs parents eux-mêmes qu'il appartient de s'[interroger](#) sur leur démarche et leur projet ? Et d'abord aux femmes, puisqu'elles peuvent d'ores et déjà [commander](#) sur le Net des échantillons de sperme. Les tarifs des "Sperm banks" sont disponibles en ligne, avec les photos et les caractéristiques des donneurs.

Un autre champ de réflexion concerne l'homoparentalité en tant que nouveau modèle de filiation.

Le principe d'un mariage ouvert à tous les couples rassemble très largement les Français, alors que le principe de l'homoparentalité les divise.

Un statu quo conservateur n'aurait guère de sens. Oui, il est possible d'[instituer](#) un mariage entre personnes de même sexe. Cette innovation est souhaitable puisqu'elle contribuera à [assurer](#) une pleine reconnaissance sociale aux couples homosexuels qui l'attendent. Mais elle transforme la signification de l'ancien mariage, dans la mesure où son principal effet était la présomption de paternité de l'époux, qui n'a pas de sens pour un couple de même sexe.

Cette présomption de paternité n'a pas disparu du mariage moderne, mais celui-ci a profondément changé. Ainsi, les droits de tous les enfants reposent désormais sur l'établissement de leur filiation civile, c'est-à-dire leur rattachement aux parents qui les ont conçus et/ou reconnus, mariés ou non. La colonne vertébrale de la famille est ainsi essentiellement la filiation, tandis que le mariage des parents devient en quelque sorte accessoire.

Dans ce contexte, on se demande si la véritable égalité ne serait pas d'[appliquer](#) à tous les mêmes droits : celui de se [marier](#) pour les adultes, et, pour tous les enfants, une filiation établie selon les mêmes critères et les mêmes règles.

Or tel ne serait pas le cas si l'on distinguait une "homoparentalité" et une "hétéroparentalité", à [savoir](#) deux parents de même sexe ou de sexes différents.

La capacité de quiconque à être un "bon parent" n'est évidemment pas en cause. De nombreux homosexuels ont d'ailleurs des enfants avec un partenaire de l'autre sexe, et ils ne prétendent pas [fonder](#) leur paternité ou leur maternité sur leur homosexualité. A l'inverse, l'homoparentalité signifierait que l'amour homosexuel fonde la parenté possible et permet de [remplacer](#) l'hétérogénéité sexuelle du père et de la mère par l'homosexualité masculine ou féminine des parents.

Les formules, devenues courantes, de parents gays et lesbiens signifient la même chose. Et lorsque la ministre de la famille annonce qu'il faudra s'[interroger](#) sur "*les nouvelles formes de filiations tant hétérosexuelles qu'homosexuelles*", elle substitue également au caractère sexué des parents leur orientation "sexuelle". Ainsi, il s'agit bien de créer un nouveau modèle de filiation.

Selon le modèle traditionnel, un enfant est rattaché à un parent au moins, généralement la mère qui l'a mis au monde, et si possible à deux, père et mère. Y compris dans l'adoption, la filiation légale reproduit analogiquement le couple procréateur, asymétrique et hétérogène. Elle en garde la structure, ou le schéma, à [savoir](#) celui de l'engendrement biologique bisexué. C'est ainsi que l'on peut [comprendre](#) l'anthropologue et ethnologue Claude Lévi-Strauss lorsqu'il écrit que "*les liens biologiques sont le modèle sur lequel sont conçues les relations de parenté*". Or on remarquera que ce modèle n'est ni logique ni mathématique (du type : 1+1), mais biologique et donc qualitatif (femme + homme) parce que les deux ne sont pas interchangeables. C'est la seule raison pour laquelle les parents sont deux, ou forment un couple.

Même si cette [forme](#) n'est pas toujours remplie (par exemple lorsqu'un enfant n'a qu'un seul parent ou qu'il est adopté par une personne seulement - la différence sexuelle est symboliquement marquée, c'est-à-dire nommée par les mots "père" ou "mère" qui désignent des personnes et des places distinctes. Cette distinction inscrit l'enfant dans un ordre où les générations se succèdent grâce à la génération sexuée, et la finitude commune lui est ainsi signifiée : car nul ne peut [engendrer](#) seul en étant à la fois père et mère.

La question se pose alors de [savoir](#) ce qui est signifié à l'enfant rattaché, par hypothèse, à deux mères ou à deux pères. Un tel cumul signifie-t-il que deux pères peuvent [remplacer](#) la mère ? Que deux mères peuvent [remplacer](#) le père ? Une lesbienne militante, qui ne veut pas [ajouter](#) un père à son couple féminin, témoigne dans un magazine : "*Deux parents, ça suffit .*" Et une autre : "*Moi je ne veux pas me [coltiner](#) un père pour être mère.*" Comment ne pas [entendre](#) ici une dénégation virulente de la finitude et de l'incomplétude de chacun des deux sexes ?

La crainte qu'on peut ici [exprimer](#), c'est précisément que deux parents de même sexe ne symbolisent, à leurs yeux comme à ceux de leurs enfants adoptifs (et plus encore de ceux qui seraient procréés à l'[aide](#) de matériaux biologiques), une dénégation de la limite que chacun des deux sexes est pour l'autre, limite que l'amour ne peut [effacer](#).

Sylviane Agacinski

Sylviane Agacinski

Philosophe, elle a enseigné à l'École des hautes études en sciences sociales de 1991 à 2010. A travaillé sur la question de la différence et du différend sexuels dans la démocratie (*Politique des sexes*, Seuil 2002), dans la théologie (*Métaphysique des sexes*, Seuil 2005) et au théâtre (*Drame des sexes*, Seuil, 2008). Avec "Corps en miettes" (Flammarion, 2009), elle critique la marchandisation du corps humain et conteste la réduction du sexe au genre dans *Femmes entre sexe et genre* (Seuil, 2012)

Bet on U.S. Pays Off for Germany's Carmakers

By [JACK EWING](#)



Erik S. Lesser/European Pressphoto Agency

Volkswagen has invested \$4 billion in the United States since 2008, building a factory in Chattanooga, Tennessee, that began churning out Passat sedans in 2011.

It was only a few years ago that some economists were arguing that Europe was “decoupling” from its long dependence on trade with the United States and predicting that the Continent’s future lay with the so-called tiger economies of Asia.

German carmakers, at least, had a different vision of the future.

The recovery in the United States auto market, which produced big earnings growth at Chrysler and Ford in their fourth quarters, has also been a boon for Germany’s big three — Daimler, BMW and [Volkswagen](#).

The double-digit increases in their American sales last year reflected an overall surge in demand by American buyers for European and, above all, German products. Well-designed vehicles and machinery, so coveted a Germany specialty that they can often fetch premium prices, were by far the biggest categories of European exports to the United States.

As a result, overall German exports to America rose 24 percent in October from a year earlier, outpacing the 18 percent growth for euro zone exports to the United States.

In many ways, the success of the German carmakers has let them invest to produce further success in the American market. The German companies are cashing in on years of commitment to the United States, which remained an important market for them even as the global auto industry trained its sights on China.

Volkswagen, for example, has invested \$4 billion in the United States since 2008, building a factory in Chattanooga, Tenn., that began churning out Passat sedans in 2011.

“Five years ago, we reset the clock here in America,” Martin Winterkorn, the chief executive of Volkswagen, said in Detroit last month. “The Passat was made in America for America.”

BMW and Daimler’s Mercedes-Benz unit have been making sport-utility vehicles and other autos in America since the 1990s: BMW in Spartanburg, S.C., and Mercedes in Tuscaloosa, Ala.

That presence put them in position to take advantage of the revival of the American market.

Nearly a third of the vehicles that BMW sells in America are built in that country, according to LMC Automotive, a research firm in Troy, Mich. Mercedes and VW both produce about a quarter of what they sell in the United States in local factories.

BMW and Mercedes have also expanded their appeal in the United States by moving carefully into more affordable parts of the market. Mercedes, for example, sells an entry-level Mercedes sedan for less than \$30,000.

All of that has contributed to a sales surge. BMW vehicle sales in the United States rose 14 percent last year, including the Mini brand; sales of Daimler's Mercedes and Smart brands increased more than 15 percent; and Volkswagen's sales soared 34 percent, including Audi brand cars.

For Mercedes and VW, those were better growth rates than in China, and they helped to offset slower sales there.

The German automakers' strong financial results contrast with those of European rivals like Renault and PSA Peugeot Citroën, which abandoned the United States market decades ago. Now the French carmakers are short of ways to counterbalance the stricken European market. It is probably too late for them to re-enter the United States, even if they could afford the cost of re-establishing a dealership network.

Mercedes and VW are so well placed in the United States that they even did a little strutting during the televised [Super Bowl](#) football championship on Sunday, showing splashy commercials.

In the Mercedes spot, the actor Willem [Dafoe, playing the devil](#), offers a young man a new CLA sedan in exchange for his soul. After a fantasy sequence in which the young man cuddles with the model Kate Upton, dances alongside Usher and overtakes Formula One cars on a racetrack, he sees a billboard advertising the CLA for \$29,900. He realizes he can afford one without the devil's help.

The euro zone recession would clearly be much worse than it is without the income that European companies are bringing in from the United States. While Germany has been the main beneficiary, accounting for 40 percent of euro zone exports to the United States, countries including France, Italy and Spain also recorded big gains in sales in America of products that span categories from chemicals to wine.

Britain, which is in the European Union but not the euro zone, expanded exports to America by 11 percent in October from a month earlier. That made Britain second to Germany in total sales of goods to the United States that month, with about 4 billion euros, or \$5.4 billion, in October versus 8 billion euros for Germany, according to official figures.

The renaissance of United States demand is a big shift from a few years ago, when all the action seemed to be in Asia. The realignment has prompted some companies and governments to re-examine their priorities, and it helps explain why European Union leaders like [Angela Merkel](#) of Germany and David Cameron of Britain have been pushing hard for a new trade agreement between Europe and the United States. A deal would eliminate tariffs and harmonize regulatory requirements for cars and other products.

America has always been important to German manufacturers.

But the recent pickup in United States demand for factory equipment, which is closely linked to the auto industry as well as natural gas exploration and chemical production, came as a surprise.

After past economic downturns, United States demand for machinery never fully recovered to precrisis levels, said Peter Leibinger, vice chairman of Trumpf, a company based in Ditzingen, Germany, that makes machines used to cut and form sheet metal.

“It was always a step down,” Mr. Leibinger said by telephone from Farmington, Conn., where a Trumpf factory employs about 700 people.

But this time it was different. After an initial plunge following the collapse of Lehman Brothers in 2008, Trumpf’s American sales have soared, rising about 90 percent to 274 million euros from June 2010 to June 2012.

The German carmakers are benefiting from a general recovery in the premium end of the American market, as well as from more aggressive financing incentives. But they are also in position to meet demand for less expensive models, as with the [BMW X3](#) SUV, which starts at about \$39,000.

Volkswagen, which only a few years ago flirted with irrelevance in the United States, has come back after a campaign that began in 2008 and included a high-tech makeover of the buildings that house Audi dealerships as well as efforts to improve service.

The Passat made in Tennessee is less costly and simpler than the European version. It has helped VW compete better in the United States with the [Toyota Camry](#) and Honda Accord.

“The VW brand has historically had more of a cult following,” said Jeff Schuster, senior vice president at LMC Automotive. “The new Passat is larger and more in line with midsize cars in the U.S. It has more mass appeal than cult appeal.”

VW has also invested heavily in marketing in the United States. The company’s Super Bowl spot portrayed an office worker from Minnesota speaking in a Jamaican patois and [exhorting his dour co-drones](#) to “turn the frown the other way around.” Then he took them for a ride in a red Beetle. The slogan is: “Get In. Get Happy.” (Some commentators said the commercial was culturally insensitive, but Jamaica’s tourism minister liked it, [The Associated Press reported.](#))

Mr. Schuster said he thought VW sales would continue to grow this year, though perhaps not as fast. In January, sales of the German brands rose less than the American car market over all, although it was not clear if the relatively poor performance was a trend or an anomaly. Over all, vehicle sales in the United States were up 14 percent in January from a year earlier. Mercedes sales rose 11 percent over that period, VW and Audi unit sales rose 7 percent, and BMW and Mini sales were up only 2 percent.

BMW sales were held back by a shortage of products because of heavy demand last year, a spokesman said, adding that the company expected 2013 to be a good year in the United States.

Despite all the talk about Asia in recent years, there is palpable relief among German exporters that the United States is once again a growth market. America remains an easier place for European companies to do business than most emerging markets.

“To us, it’s a market like Germany,” said Mr. Leibinger of Trumpf. “We consider China a huge opportunity, but we do see the risks there.”

Bill Vlasic contributed reporting from Detroit.

Frankreichs Präsident plädiert für Euro-Wechselkurspolitik

05.02.2013 · Auch François Hollande sorgt sich offensichtlich um den starken Euro. Nachdem bedeutende politische Entscheidungsträger in Europa vor einem Währungskrieg gewarnt haben, fordert er eine aktive Wechselkurspolitik.



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Auch EU-Kommissionspräsident Barroso hört dem französischen Staatschef zu.

Der französische Staatspräsident François Hollande hat eine aktive Wechselkurspolitik für den Euro gefordert. Die Gemeinschaftswährung müsse vor „irrationalen Bewegungen“ geschützt werden, sagte Hollande während einer Rede vor dem Europaparlament in Straßburg. „Eine Währungszone muss eine Wechselkurspolitik haben, ansonsten wird sie mit einem Wechselkurs enden, der nicht dem wirklichen Zustand seiner Volkswirtschaft entspricht“, ergänzte er.

Der französische Präsident reiht sich mit seiner Äußerung ein in die Gruppe ranghoher europäischer Politiker und politischer Entscheidungsträger, die derzeit die Kursentwicklung der Gemeinschaftswährung auf den Devisenmärkten öffentlich kommentiert. Grund dafür ist die offenbar vielerorts vorhandene reale Sorge, der zuletzt merklich gestiegene Außenwert des Euro erschwere europäischen Exporteuren das Geschäft - was umso misslicher erscheint angesichts der wirtschaftlichen Schwächephase, aus der sich die südeuropäischen Länder momentan heraus kämpfen.

Warnung vor Währungskrieg

Der gerade aus dem Amt geschiedene [Eurogruppen-Chef Jean-Claude Juncker](#) hatte explizit vor einem zu starken Euro gewarnt. Bundesbankpräsident Jens Weidmann und der deutsche Finanzminister Wolfgang Schäuble gaben unlängst verbale Warnschüsse in Richtung Japan ab, wo die Notenbank auf Druck der Regierung eine Politik verfolgt, die mindestens als Seiteneffekt bisher einen substantiell schwächeren Yen zur Folge hatte.

In diesem Zusammenhang wird [immer noch über einen „Währungskrieg“ auch zwischen den Industrieländern](#) debattiert. Gemeint ist damit, dass die großen Zentralbanken durch eine lockere Geldpolitik versuchen, die eigene Währung zu schwächen und so die Preise jeweils im Inland hergestellter Güter und Dienstleistungen aus ausländischer Sicht verbilligen. Unter den Industrieländern hat indes einzig die Schweiz ein explizites Wechselkursziel des Franken gegenüber dem Euro eingezogen.

Austérité, euro, Eurobonds : Hollande veut tout changer

Par [Alexandrine Bouilhet](#) Mis à jour le 05/02/2013 à 13:35 | publié le 05/02/2013 à 12:04

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François Hollande, devant le Parlement européen, ce mardi à Strasbourg.

François Hollande a prononcé un discours clé sur l'Europe à Strasbourg. Sur les sujets économiques et monétaires, il n'hésite pas à prendre le contrepied de l'Allemagne.

Le président français a mis les pieds dans le plat, mardi à Strasbourg, sur les sujets économiques et financiers du moment, n'hésitant pas à critiquer l'Europe et la [zone euro](#) pour leur inaction face au chômage et à la récession.

«Je ne veux pas condamner l'Europe à une politique d'austérité sans fin», a insisté [François Hollande](#). **«Le désendettement, la compétitivité, c'est important, mais cette politique doit être appliquée avec discernement».**

C'est une grosse pierre dans le jardin d'[Angela Merkel](#). Mais pas la seule. La France appelle les «pays à excédents» - l'Allemagne -, à relancer leur demande intérieure pour aider les exportations des pays voisins, notamment la France, qui est le premier partenaire commercial de Berlin.

François Hollande a fustigé l'euro fort, jugeant que le niveau actuel de la monnaie unique «ne correspond pas à l'état réel de son économie». **«On ne peut pas laisser notre monnaie fluctuer selon les humeurs des marchés»,** a-t-il affirmé. La France appelle l'Europe à reprendre le contrôle de «sa politique de change», suggérant une action commune au niveau de l'Eurogroupe et du G20.

Eurobonds, le «chiffon rouge»

Reprenant un cheval de bataille de Nicolas Sarkozy, François Hollande demande «une réforme du système monétaire international». «Sinon, nos efforts de compétitivité seront annihilés» par le cours élevé de l'euro, a-t-il indiqué.

Le chef de l'État fait fi de l'indépendance de la [Banque centrale européenne](#) et de son mandat principal, qui n'est pas la croissance, ni le taux de change, mais la lutte contre l'inflation. Prêt à confronter la BCE, dont il a salué l'action face à la spéculation, il a demandé un «gouvernement de la zone euro».

L'euro qui est retombé sous la barre des 1,35 dollar en début de matinée, en raison des inquiétudes sur l'Espagne et l'Italie, reprenait son mouvement de hausse face au billet vert. La monnaie unique est à son plus haut niveau face au dollar depuis mi-2011.

François Hollande a également remis sur le tapis européen le sujet des «Eurobonds», véritable chiffon rouge pour les Allemands. C'est tout le sens de son plaidoyer pour une «**intégration solidaire**»: oui à plus de discipline budgétaire, mais en contrepartie la France réclame des «nouveaux instruments financiers» qui instaurent une solidarité de fait entre les États emprunteurs.

Dans le même ordre d'idées, François Hollande plaide pour un budget de la zone euro, qui instaurerait une autre forme de solidarité financière avec l'Allemagne.

Défense de la politique agricole commune

Sur le budget européen 2014-2020, qui sera l'objet du Conseil européen jeudi, François Hollande s'est montré très défensif, traçant ses lignes rouges: **non à une révision à la baisse de la politique agricole commune, dont la France est le premier bénéficiaire**; non à de nouveaux «chèques et rabais»; non à un sacrifice des fonds structurels, dont bénéficient les pays du sud de la zone euro, la Pologne, mais aussi la France; non à une baisse du budget recherche et développement.

La France veut un budget européen ambitieux qui ne sacrifie pas tout à l'austérité. «Les économies, je suis pour, mais affaiblir l'économie, non», a déclaré François Hollande, prêt à croiser le fer à Bruxelles avec David Cameron et Angela Merkel, qui défendent des coupes de 20 à 30 milliards d'euros dans le prochain budget.

Sur sa défense de la PAC, François Hollande a été vivement attaqué par l'eurodéputé **Daniel Cohn-Bendit**, qui fustige une politique injuste, axée sur les grandes exploitations déjà très riches, et destinée à soutenir un secteur agroalimentaire très puissant en France.

François Hollande: "I refuse to condemn Europe to austerity without end"

68,68



French president François Hollande

during the debate in the European Parliament

French president François Hollande pleaded in favour of finding a better way out of the crisis, forging an integrated Europe and securing an EU budget with sufficient means during a debate in the EP ahead of the Brussels summit on the long-term budget on 7-8 February. Mr Hollande also talked about the intervention in Mali during the discussion with MEPs on 5 February. Most political groups expressed their support for the military campaign and asked French support for a growth-generating budget.

No respite

Mr Holland said there are still lessons to be learnt from the eurozone crisis. "There can be no respite as long as one out of two people is out of work in some countries." The French president argued for initiatives to promote growth and better coordination of economic policies in order to strengthen the EU's economy, adding: "I refuse to condemn Europe to austerity without end."

He called for an EU budget that includes savings that do not weaken the economy, has sufficient money earmarked for agriculture and support for poorer regions, while still promoting innovation and protecting the most vulnerable.

Talking about Mali, Mr Hollande said there was no time to lose as it would have left more room for terrorism.

Crisis not over

José Manuel Barroso, president of the European Commission, warned: "The crisis is not over yet. The unemployment rate is unacceptable. The reform of our competitiveness is crucial. In order to guarantee a sustainable growth we need investment and the instrument for that is the EU's budget."

Need for change

In the debate with Mr Hollande, MEPs discussed the role of the EU's budget and what changes would be necessary to revive Europe's economy.

Jospeh Daul, the French leader of the EPP group, spoke out against the Council proposals for the EU's next long-term budget: "These proposals are going in the wrong direction, attacking one of our best tools to generate growth - the European budget - of which 94% goes back to the member states. The proposal we have today is a political capitulation and we are going to reject it."

Hannes Swoboda, the Austrian leader of the S&D group, said "The cost of unemployment is extraordinary. We have a growth pack, but we now need to flesh it out to create jobs. Europe needs a balanced, forward-looking approach."

A solution in times of austerity could be to better pool resources in areas such as defence and innovation, according to Guy Verhofstadt, the Belgian leader of the ALDE group. He added: "Europe has no future unless we move towards a federation."

Daniel Cohn-Bendit, the French co-chair of the Green group, also stressed the importance of a good budget: "As there is a recession in the member states, we need an EU budget that can reinvigorate those economies."

Martin Callanan, the British chair of the ECR group, questioned Mr Hollande's ideas about the single market: "For you the single market means harmonised labour rules, taxes and economic policies. For me, it means competing with each other to become more competitive in the international market."

Philippe De Villiers, the French vice-chair of the EFD group, commented: "People no longer share your dream of bringing together and integrating Europe's nations. Today the public is moving away from it."

Gabriele Zimmer, the German chair of the GUE/NGL group, said: "Austerity leads to loss in growth. Austerity and wage restraint is toxic." She also said that military intervention in Mali is the wrong path to follow as the medium and long term consequences are not yet clear.

Even the good news is bad news

Feb 5th 2013, 16:19 by R.A. | WASHINGTON

THERE are continued signs today that the recent market placidity in Europe is not proof the crisis is over. Begin with [this Reuters piece](#), with the encouraging headline, "Eurozone shows further signs of recovery". Splendid! Only:

Markit's Eurozone Composite PMI, based on business activity across thousands of companies, and a good gauge of economic growth, rose in January to a 10-month high of 48.6 from 47.2 in December – an improvement on the preliminary reading of 48.2.

While still below the 50 mark that divides growth and contraction, where it has been since February last year, it has risen for the third straight month.

The good news, in other words, is that the euro-zone economy continues to shrink, albeit at a slower pace. Digging into the [figures](#), it is clear that there is some legitimately good news. German activity showed an outright expansion in January and contraction in Spain has slowed dramatically from late last year. But Italy is merely treading water, and **the recession in France—the euro area's second-largest economy—is rapidly deepening in a very discouraging sign.**

Movements in bond yields add to the troubling French picture. When markets move to more of a "risk on" position, French yields rise. German bunds do the same, but Germany's debt picture is less troubling and its economy is more robust. **Too much optimism in Europe could tip France toward peripheral status.**

France **is also distressed by the impact of calmer financial markets on the euro.** Euro-area panic had one useful side effect: the euro tumbled against other major currencies, providing a boost to euro-area exporters and an uptick in external demand for the single currency's desperate economies. **As crisis fear recedes, the euro rises,** the more so since the European Central Bank is decidedly less interested in fighting slow growth and high unemployment than central banks in America, Britain, and Japan. **The French domestic economy is shrinking; if market confidence fades further, the French government may find itself moving from gradual to crash austerity, worsening this condition.** France has rapidly become [less competitive](#) relative to euro-area trade partners; at the start of the crisis French unit labour costs were well below those around the periphery, but they have since risen while high unemployment has squeezed down wages elsewhere. If extra-euro-zone trade can't buoy up the economy, higher unemployment is inevitable. **That is a major reason why Francois Hollande is now sounding the alarm on the euro's strength and calling for an exchange-rate policy.** Essentially none of the past year's improvement in the euro area's current-account balance can be attributed to France.

Meanwhile, it certainly doesn't help anyone that German economic strength is scarcely translating at all into more domestic purchases. Retail [purchases](#) continued to shrink rapidly in December, and German sales were no exception. **Because the euro-area adjustment process is driven by the mechanism of high-unemployment leading to falling wages and import compression, "successful" adjustment in one part of the euro area almost by definition means increasing difficulties in another part. There is another route to success available.** The ECB could ease much more aggressively, allowing the German economy to run hotter (thereby facilitating internal euro-area adjustment) and contributing to less upward pressure on the euro (thereby maintaining support from external demand). Instead, the ECB is standing by while recession and deflation proceed. Maybe the euro zone won't break under the strain. But the risk of collapse is much higher than it ought to be.

02/05/2013 06:33 PM

A 200-Billion-Euro Waste

68,71

Why Germany Is Failing to Boost Its Birth Rate

Germany spends more on families than most European countries, but its birth rate is falling. A government-commissioned study seen by SPIEGEL argues most of the money is being wasted. Instead of complicated benefits and tax breaks, the government urgently needs to invest in preschools.

A study commissioned by the German government has reached a damning verdict on the country's efforts to boost its low birth rate, saying billions of euros are being wasted on complex benefits and tax breaks that are largely ineffective and in some cases counterproductive.

Europe's largest economy spends some €200 billion (\$270 billion) on promoting children and families per year -- that's almost two-thirds of the federal budget. But its birth rate, at 1.39 births per woman aged 15 to 49, remains among the lowest in Europe and compares with an Office of Economic Cooperation and Development (OECD) average of 1.74.

The number of births in Germany has fallen to a record low. It was just 663,000 in 2011, 72,000 fewer than a decade earlier.

The German government ordered a detailed cost-benefit study of its family policies five years ago. The panel of experts led by Basel-based consultancy Prognos has completed a 66-page interim report that SPIEGEL has seen.

Its findings could open up a major battleground in this year's election campaign because they amount to an indictment of 60 years of German family policy. Successive governments, whether from the center-right or center-left or grand coalitions, it seems, got it wrong. And some of the most expensive measures often yield the least benefit.

The study makes enlightening reading for those who wonder why Germany is consistently near the top in international rankings for family spending while its birth rate and job prospects for young mothers are near the bottom.

The government had pledged to release the findings in the current parliamentary term. But officials no longer seem in a hurry and it might not be made public before the September general election. That may be because the study supports calls by the opposition center-left Social Democrats and Greens for a massive expansion in preschool facilities and all-day schools, as well as caps on tax benefits for married couples.

Outdated Notions of Family Life

The findings run counter to a traditional view of the ideal family still held dear by many in Chancellor Angela Merkel's conservative Christian Democratic Union party: Dad earns the money, Mom stays at home and looks after the children. That, say the government-commissioned experts, can no longer serve as the basis for modern policy-making.

The government's latest policy initiative caused intense controversy, with opposition parties saying it was trying to transport Germany back to the 1950s. Launched at the insistence of the CDU's staunchly conservative Bavarian sister party, the Christian Social Union, the "childcare allowance" will come into force this August -- and pay a benefit of €100 per month to stay-at-home mothers.

The authors of the study say that the current tax and benefit arrangements discourage women from working full-time when they have children, discriminate against unmarried parents and in general aren't making it easier for people to raise children.

The web of benefits is so complex that even experts don't fully grasp it: There's a "child supplement," "parental benefit," an "allowance for single parents," a "married person's supplement," a "sibling bonus," "orphan money" and "child education supplement," not to forget the "child education supplementary supplement."

Responding to the SPIEGEL article, Family Minister Kristina Schröder, 35, mother of a one-and-a-half-year-old child, defended her policies. "I don't regard family policy like an investment banker with the aim of profit-maximization," she told the *Passauer Neue Presse* newspaper on Tuesday. She said she was opposed to a policy "that focuses more on macroeconomic profit than on human solidarity."

Schröder called on companies to help boost the birth rate. "The most important thing is to adapt working life more to the needs of families instead of going on requiring families to keep on adapting to the requirements of the working world."

Manuela Schwesig, a deputy leader of the center-left Social Democratic Party, said: "The government's policy on families is shaped by a picture of the family that is half a century old. Single parents or couples with children but without a marriage certificate are virtually ignored."

Cash or Daycare

The central question of family policy is whether the government should invest in education and preschool facilities or simply give families cash.

In Germany, governments have always chosen the latter option, not least because benefits and tax breaks tend to win votes. The problem is that the money often doesn't end up reaching the people who need it.

Take Claudia Kinski and Andreas Schulte*. They both work and are raising a child. He has a public sector job and works in shifts. She does security checks at a major airport. They always await their new shift rotations with trepidation. Will they have to work a lot of weekends this month? Will they have to start work at five in the morning or eight at night? The rotation determines how often Claudia will see her 11 year-old son, when she will need a babysitter, and for how long.

"Sometimes I have to ring him up from work in the morning to wake him up and tell him where he can find his breakfast," she says. "An hour later I ring him up again to make sure he leaves the house."

The fundamental problem that faces this family and many others is that they can't find adequate daycare facilities. They earn too much to qualify for most of the benefits, and they don't get tax breaks because they're not married.

The study criticizes some of the main components of Germany's family benefits system:

- so-called "tax splitting" for married couples, in which the husband and wife each pay income tax on half the total of their combined incomes. This costs the government some €20 billion a year and is one of the most expensive instruments. It rewards married people who have different incomes. The bigger the income difference between them, the bigger the tax advantage. In the best-case scenario, they can get a tax break of up to €15,694 per year, if there's only one earner. The system means the "wedding market is often more lucrative than the labor market," says family policy researcher Jutta Allmendinger. Single parents, unmarried couples or same-sex married couples with children, get nothing. If Mom and Dad aren't married, they're treated as singles.
- The child benefit is the most expensive family policy tool, costing some €40 billion. At present, parents get €184 per child per month. Adjusted for inflation, that's over three times higher than in the 1970s. But the study says it's a "fiscally relatively expensive way to avoid poverty and doesn't create any beneficial effects in terms of employment." Meaning: poorer families don't really profit because child benefit is

offset against other benefits they get. And it tends to encourage women in middle-class families to stay at home.

The system is damaging the economy because it discourages women from seeking full-time employment. That's the vicious circle of the German tax and benefit system. The state hands out generous payments like the child benefit but in turn charges high taxes and welfare contributions on employment. As a result, almost 50 percent of working women in Germany are in part-time employment -- more than in most other European countries.

The study says a far more effective and cheaper way of helping families and boosting the birth rate is to open more preschools. It found that mothers with children aged up to three years who have found a place in a nursery work 12 hours more per week on average than mothers who haven't been able to find a place. The income gain is almost €700 per month before tax. It's a similar story for mothers of children aged between three and six years.

The researchers say there's empirical evidence of a correlation between the availability of preschool places and the birth rate. They refer to certain rural districts of western Germany where an increase in the number of daycare spots for children by 10 percent led to an increase in the birth rate to 3.5 percent from 2.4 percent within two years.

So nursing care expansion could be at least partly self-financing. "The rising employment activity of mothers and the resulting increased revenues from taxes and social contributions means that a large part of the original outlay would flow back to the state," the study says.

Here's an intriguing statistic: Germans aged between 25 and 29 can expect to receive family related benefits and tax exemptions totalling €133,400 by the end of their lives. That sounds like a tidy sum. But almost 85 percent of it consists of monetary and tax benefits that will have relatively little impact. Only 15 percent is in the form of tangible services like preschools.

Merkel's government doesn't see that as a problem. Family Minister Schröder praises the new childcare allowance for stay-at-home mothers as a "fair offer" and says she's a fan of the married couple's tax-splitting provision. "Marriage," says the 35-year-old, "has an intrinsic value for the state, even as a childless community of responsibility."

But what many parents really need is a policy that integrates leisure activities into the school system, that pays babysitters more and does more to help private households that employ nannies.

Some Conservatives Realize Need for Change

Even CDU politicians are realizing this, especially at the local government level. Take Sonneberg in the eastern state of Thuringia. The town of 22,000 opened one of Germany's first 24-hour daycare centers two years ago. The project was initiated by CDU mayor Sybille Abel. It looks like a designer hotel and cost the city €1.4 million to build. Sonneberg has many car components firms and two large hospitals where people work in shifts. Unemployment in the town is just 3.6 percent. The new center, called Zukunft (Future) is the town's 14th nursery. It's a rare paradise for parents. "We as former GDR citizens evidently have different priorities in this regard," says Abel, referring to communist East Germany's good record on providing childcare facilities.

Even though the study's findings are critical of government policy, they provide Merkel with an opportunity to sweep aside outdated ideologies and start dealing with the realities of modern life. "It's time for a paradigm change in family policy," says one of the authors of the study.

Some politicians may mock subjecting children and families to such a rigorous cost-benefit analysis -- but there is no denying that family policy is a massive investment program in the future of society. As such, it should be a central focus of the election campaign.

**names changed at the request of the interviewees*

February 5, 2013

Resolve the Real Greek Crisis

By EDWARD P. JOSEPH and ANNA TRIANDAFYLLIDOU

68,74

FOR Greeks suffering from the wrenching pain of a long economic crisis, a youthful savior has emerged. Alexis Tsipras, the leader of the second-strongest party in Parliament, the Coalition of the Radical Left, or Syriza, is not yet 40, but his [relentless attack on austerity](#) has made him a favorite to head the next government.

Tsipras has been visiting power centers in Europe and the United States to bolster his credentials and to press his case for debt relief. He argues that Europe is bluffing with its threat to expel Greece from the euro zone if it doesn't implement severe cuts.

But even if Tsipras wins the next election, he is likely to fail in his bid for an international conference that would provide dramatic debt relief. The reason is that Greece's main creditors, Germany in particular, suspect that Tsipras is bluffing as well. They know that the Greek economy hangs like a thread, and that failure to sustain debt relief would plunge Greece into economic free fall.

Thus the impasse over Greece that serves as a brake on Europe's recovery and has left a quarter of Greeks unemployed is likely to continue — unless Tsipras widens his message. He could wring substantial concessions out of Germany and other creditors if he does what no Greek leader has managed to do: get Greeks to accept the need for national reform, not just austerity and not just debt relief.

The truth is that Greece is not only broke, it is broken. "Uncompetitive" does not describe the pathology of the Greek economy. It is a myriad of small businesses, unproductive subsidies, inflated state contracts and Byzantine regulations seemingly designed to inhibit productivity. In the past, it was sustained by tourism, olives and other small-scale produce, and, of course, loans — which have evaporated. Real relief for Greeks can only come from foreign investment, not loans and not debt relief. And few will invest in Greece without real reform. Indeed, some of Greece's most successful companies are fleeing the country.

Ironically, even as segments of Greek society still unleash noisy protests, the public knows the truth: They are not innocent victims but willing, if small-scale, participants in a corrupt system. This helps explain why expressions of public anger have been — given the breadth of the disaster — relatively tame. A protest movement known as the "aganaktismenoi," or the resentful, has emerged, demanding accountability. Long-concealed scandals have come to light, and some prominent members of the political elite have gone to prison, or face the prospect of being jailed. But there is no unifying agenda among protesters, many of whom are animated solely by the prospect of losing their benefits.

Moreover, for all their suffering, most Greeks are aware just how much worse their situation could become. They understand that they have a lot to lose if the country's fragile banks collapse or if the country defaults. The value of their euro-denominated bank accounts, if converted into new drachma, would plunge.

If anything, anger in Greece is focused outside the country, at Germany in particular, or disgracefully, on the most vulnerable people — poor immigrants — who have benefited least from the country's corrupt system. Either way, the misdirected anger only distracts Greece from much-needed introspection. And even when there has been reflection, such as the momentary pause in the spring and summer of 2010, Greece has been plagued by the paralysis of collective responsibility: "So maybe I didn't pay my taxes, but who did?"

The focus of Greek energy these days is not on how to fix the country, but rather on how to survive within the existing system.

At their core, Greeks know better and are not condemned to perpetual cynicism and incipient poverty. They need a leader with the courage and the standing to tell them that the old ways of doing business will not return prosperity.

Greeks have proven that they can move toward meritocracy, as has been illustrated by the general public exam for public administration or university admissions. The unique aspects of Greek culture have their advantages and need not be discarded. Small changes, for example simplifying regulations and putting more information on legislation on the Internet, can have a big effect.

These measures can pave the way for consensus on the larger labor reforms demanded by creditors, very possibly winning the major concessions that Tsipras seeks. Soon, with support from civil society and the Orthodox Church, momentum toward national renewal could reach a tipping point, where the rewards of complying with rules will outweigh flouting them.

In short, Greeks do not have to “become Germans.” They only have to face up to the fact that you can’t get something for nothing forever. A politician with the courage to speak this truth and appeal for a new compact that matches individual and business responsibility with concrete steps toward state transparency can win an election, debt relief and real hope for a battered people.

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Euro zone needs exchange rate policy, says Hollande



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68,76

France24 VIDEO

Publiée le 5 févr. 2013

French President François Hollande called on the euro zone on Tuesday to develop an exchange rate policy to help protect the common currency from "irrational movements".

French President Francois Hollande called on the euro zone on Tuesday to develop an exchange rate policy to protect the currency from "irrational movements".

His comments came amid growing concern within his Socialist government that the euro, now trading around 1.35 to the dollar, is too strong and could undermine the country's exporters and hence wider economic growth.

Hollande said that competitiveness reforms under way in many euro zone countries including France risked being undermined by the euro's exchange rate with key trading partners, but he stopped short of calling for exchange rate targets.

"Europe... is leaving the euro vulnerable to irrational movements in one direction or the other," he said in his first speech as president to the European Parliament in Strasbourg.

"A monetary zone must have an exchange rate policy or else it ends up being subjected to an exchange rate that does not match the true state of its economy."

Hollande said the European Central Bank should remain independent and called instead for a reform of the international monetary system to better protect European economic interests. He did not spell out what reforms he had in mind.

His remarks came after Industry Minister Arnaud Montebourg called for a weaker euro to help French exports, as the French government tries to revive a weakening manufacturing sector and narrow a large trade deficit.

"This is not about externally setting a target for the European Central Bank, which is independent, but about engaging the essential reform of the international monetary system," Hollande said.

He added that countries with strong exports, which is the case of Germany and several Nordic nations, should stimulate internal demand to create a fairer balance in the 27-member European Union.

VIDEO :

<http://www.elysee.fr/chronologie/#e2542,2013-02-05,deplacement-a-strasbourg-2>

Intervention du Président de la République devant le Parlement européen

Publié le 05 Février 2013

68,77

Monsieur le président du Parlement européen,

Cher Martin SCHULZ,

Monsieur le président de la Commission européenne,

Mesdames, messieurs, les députés,

Je vous remercie de l'honneur que vous me faites en me permettant de m'exprimer ici, à Strasbourg, devant le Parlement européen. La France respecte le rôle et la place de votre Assemblée dans l'ensemble des institutions européennes.

Je m'adresse à vous comme le représentant d'une Nation, qui a lié son destin à celui de l'Europe, et qui porte, encore aujourd'hui, une responsabilité particulière. Je m'adresse à vous comme un homme politique dont la conviction européenne a guidé son engagement. Je m'adresse à vous comme un chef d'Etat qui a placé la **réorientation de l'Europe au cœur de son action** et qui se consacre depuis 9 mois à cette tâche. Je m'adresse à vous comme le président d'une République dont la promesse, depuis 200 ans, est de faire que la génération suivante vive mieux que la précédente.

L'Europe est une formidable idée, une immense aventure, une construction politique exceptionnelle, elle a réussi à faire l'histoire sans défaire les Nations, elle a produit un modèle envié, sur tous les continents, elle a instauré la paix, les droits de l'Homme, la démocratie, ce que le prix Nobel, à juste raison, est venu consacrer.

Mais, depuis trop longtemps, l'Europe doute d'elle-même, hésite sur ses choix, pratique tantôt la fuite en avant, tantôt l'immobilisme, elle met trop de temps à prendre des décisions majeures, celles qui sont attendues, espérées, et elle met trop peu de temps à réfléchir à ses orientations et à son architecture d'ensemble. L'Europe s'honore d'être un grand marché, **mais elle le défend mal, face aux concurrences déloyales**. Elle laisse sa monnaie, l'euro, vulnérable, à des évolutions irrationnelles, dans un sens ou dans un autre. Enfin, l'Europe est un continent où la croissance est trop faible, où un chômage de masse révèle la profondeur de la crise, qui n'est pas seulement, comme on l'a dit, une transition passagère, mais une mutation profonde.

(3'06) S'il est vrai que la crise de la zone euro est désormais largement derrière nous, nous sommes loin d'en avoir tiré toutes les conséquences, et ce qui nous menace aujourd'hui n'est plus la défiance des marchés, c'est celle des peuples, et qui ne voit, à travers une suite de déclarations, que l'intérêt national est en train de prendre le pas sur l'intérêt européen.

Alors, la question que les chefs d'Etat et de gouvernement, comme la Commission européenne, comme le Parlement européen, ont à résoudre est la suivante : ce n'est pas une question d'un moment, c'est la question de notre propre avenir. **Comment faire pour retrouver l'adhésion, pour faire resurgir l'envie d'Europe, et d'abord, comment faire pour relever le défi de la stabilité financière et de la croissance économique ?**

(4'11)

Je veux saluer, depuis plusieurs mois, les efforts qui ont été engagés, et les avancées qui ont été obtenues, sur ces terrains-là.

(4'30) L'Europe a été capable de se doter de moyens indispensables pour garantir le sérieux budgétaire, et je veux rendre hommage au Parlement européen qui a contribué largement, à travers le « six pack » et le « two pack », les Etats eux-mêmes ont ratifié le **traité budgétaire**, et la France - sous mon autorité - en a pris la responsabilité. Parallèlement, le Conseil européen de juin dernier a également décidé d'un **pacte de croissance** en harmonie avec les orientations du Parlement européen, **cette Europe qui était jugée trop lente a été également capable de mettre en place des instruments de stabilité, de solidarité, notamment le mécanisme européen de stabilité.** Enfin, **la Banque Centrale Européenne a redéfini ses interventions** en annonçant clairement ses intentions face aux visées spéculatives, **et ainsi le calme est revenu sur les marchés**, et les taux d'intérêt sur certaines dettes souveraines ont pu baisser. **Nous avons aussi permis à la Grèce de rester dans la zone euro**, quand certains avaient déjà, trop vite, annoncé son départ. Enfin, **les principes d'une Union bancaire, ont été définis** pour prévenir les dérives d'un système financier, et là encore ce sera un enjeu considérable, **la supervision bancaire, un mécanisme de résolutions et des épargnants mieux protégés par une garantie de dépôt.** (6'14)

L'Europe a été capable de progrès, mais en même temps elle ne peut en rester là, car à mes yeux il n'y aura pas de répit tant **que 25 millions d'Européens seront au chômage.** Il n'y aura pas de répit tant que dans certains pays de l'Union **un jeune sur deux cherche un emploi.** Il n'y aura pas de répit tant que des millions de personnes resteront jetées **dans la précarité.** Il n'y aura pas de répit tant qu'il n'y aura pas eu la définition d'une **transition énergétique** capable de nous faire passer d'un monde à un autre.

(7'01) C'est le défi de la croissance et de l'emploi que nous devons relever. Il passe sûrement, nécessairement, par le désendettement et l'amélioration de la compétitivité, mais je le dis ici devant vous, cette politique aussi nécessaire soit-elle, doit être adaptée aux situations nationales, et appliquée avec discernement dans la durée, sinon nous condamnerions l'Europe à l'austérité sans fin, et je m'y refuse. (7'30)

La France elle-même a pris des engagements, et elle les tiendra, mais en même temps nous devons collectivement, et constamment, ajuster nos objectifs aux réalités de la conjoncture. (7'46)

La prochaine étape que nous devons ouvrir, c'est la coordination des politiques économiques nationales, c'est nécessaire pour résorber les déséquilibres. **Il y a des pays qui ont des excédents (7'57), qui ont une compétitivité élevée, d'autres qui ont des déficits, qui ont des efforts à faire.** Les pays qui sont dans la première situation doivent relancer leur demande intérieure pour permettre aux autres de pouvoir connaître, à un moment, le retour de l'activité. (8'20)

(8'22) De la même manière, nous devons réfléchir à la place de notre monnaie, l'euro, dans le monde, elle ne peut fluctuer selon les humeurs du marché. **Une zone monétaire doit avoir une politique de change, sinon elle se voit imposer une parité qui ne correspond pas à l'état réel de son économie.** Il ne s'agit pas, dans ce propos, d'assigner de l'extérieur un objectif à **la Banque Centrale Européenne, qui est indépendante**, mais d'engager l'indispensable réforme du système monétaire international, car sinon nous demandons à des pays de faire des efforts de compétitivité qui sont annihilés par la valorisation de l'euro.

(9'09) Le moment est venu de **lancer le grand chantier de l'approfondissement de l'Union économique et monétaire, la France y est prête.** Elle a deux principes, **l'intégration et la solidarité.** L'intégration, c'est la définition d'objectifs partagés, c'est **l'harmonisation des politiques fiscales**, l'intégration ce sont des réformes structurelles pour rendre nos économies plus fortes, mais également des **politiques communes en matière d'infrastructures, de recherche.** L'intégration, ce sont nos **nouveaux instruments financiers**, pour lancer des projets innovants, en matière de nouvelles technologies, en matière d'énergies renouvelables, en matière de transition énergétique et écologique. Et puisque nous sommes pour l'intégration, nous sommes pour la **solidarité**, car l'une ne va pas sans l'autre.

(10'10) La solidarité, ce n'est pas seulement le transfert entre Nations européennes, la solidarité c'est **une ambition sociale**, c'est de **garantir à chaque jeune européen un emploi ou une formation**, à la fin de ses études, en renforçant les échanges entre les Etats membres. La solidarité, c'est la lutte contre le chômage,

notamment dans les territoires où il frappe le plus durement, c'est l'enjeu notamment du **fonds d'adaptation à la mondialisation**. La solidarité, ce sont les transitions professionnelles, c'est d'accompagner les salariés tout au long de leur parcours, de leur **permettre de garder leurs droits à la retraite, à l'assurance chômage, à la Sécurité Sociale**, (10'52) quand ils changent de métier, et parfois même de pays. La solidarité, c'est ouvrir le chantier du **salaires minimum**. La solidarité, ce sont aussi des **instruments financiers, à travers de nouvelles ressources**, à travers la taxe sur les **transactions financières**, à travers tout ce qui peut permettre d'imaginer l'avenir ensemble.

(11'20) Le Parlement européen, de ce point de vue, a ouvert la voie. Vous avez, au-delà des sensibilités politiques, lancé l'idée d'emprunts communs, je n'ose pas dire **d'Eurobonds**, mais vous avez imaginé ce que pouvait être le terme même de l'intégration, et de la solidarité. **Et c'est dans cette perspective que doit se situer la discussion sur le cadre financier européen**, et je veux m'en ouvrir directement devant vous. **Nous connaissons toutes les difficultés de cette négociation**, les uns veulent des coupes, les autres, parfois les mêmes, veulent des garanties sur leurs chèques, ou sur leurs rabais. La plupart des pays sont intéressés par telle ou telle part du **budget européen**, mais pas sur l'autre, alors ma position elle s'énonce simplement : faire des économies, oui, affaiblir l'économie, non, et dès lors, notre position, celle de la France, se décline en **quatre principes**.

Premier principe, **un niveau de dépenses qui préserve les politiques communes**, d'abord la politique de cohésion, qui finance **les investissements indispensables, non pas seulement pour les pays bénéficiaires, mais pour l'ensemble de l'Europe, qui y tire avantage en termes de croissance**. La politique commune, c'est la politique agricole, qui permet de renforcer une industrie agroalimentaire, précieuse, pour l'Union européenne, mais qui doit aussi respecter l'environnement, et c'est pourquoi les aides directes et le développement rural sont complémentaires. Mais je n'oppose pas les deux politiques, comme il est commode de le faire, politique de la cohésion contre politique agricole. Nous devons garder le socle des politiques européennes, sinon comment construire ?

Mon deuxième principe, c'est que le budget, le cadre financier qui doit être proposé, doit prolonger le pacte de croissance adopté en juin dernier, ce qui suppose d'augmenter les moyens prévus pour l'innovation, les **infrastructures, les nouvelles énergies**, car où serait la cohérence d'avoir défini au mois de juin un pacte de croissance et de faire ensuite un pacte de déflation à travers le cadre financier européen.

Mon troisième principe, c'est que **le budget doit soutenir les Européens les plus fragiles, et les plus exposés à la crise**. D'où l'enjeu du **programme d'aide aux plus démunis**, qui doit être non seulement préservé mais correctement doté, de ce fonds d'ajustement à la mondialisation, nécessaire si l'on veut faire face aux restructurations qui frappent de nombreux pays, de la place du fonds social européen dans les programmes régionaux, et enfin de l'enjeu de l'emploi des jeunes qui doit devenir un véritable programme européen, avec une véritable priorité pour les choix que nous avons à faire.

Enfin, le dernier principe que je défendrai dans la négociation qui s'ouvre, c'est un système de ressources qui soit plus juste et plus lisible. Dans l'immédiat, le montant des chèques et des rabais doit cesser d'augmenter, mais pour l'avenir, de véritables ressources propres seront indispensables, sinon c'est la construction européenne qui se trouvera remise en cause.

Telle est la position de la France, je ne suis pas sûr qu'elle soit éloignée des aspirations du Parlement européen. Un compromis est possible, mais il doit être raisonnable, et il va falloir raisonner ceux qui veulent amputer le budget européen au-delà de ce qu'il est possible d'accepter. Car, je le dis ici, il ne servirait à rien de négocier un accord entre chefs d'Etat et chefs de gouvernement, s'il ne devait pas être suivi par un vote conforme de votre Assemblée. Chacun doit bien comprendre la logique des institutions communautaires, et donc vous, parlementaires, et les chefs d'Etat et de gouvernement, nous devons, avec la Commission, faire preuve de lucidité et de responsabilité.

Voilà le sens de la position de la France dans cette négociation, qui doit permettre à l'Europe d'avoir un cadre d'actions pour 7 ans, et de montrer que nous sommes capables de décider ensemble, chefs d'Etat et de gouvernement, parlementaires européens, c'est notre crédibilité qui se joue, crédibilité non plus financière, mais politique.

Au-delà de ces choix budgétaires, c'est une conception de l'Europe qui est en débat, et je vais vous livrer la mienne. L'Europe ne peut se contenter d'être un marché, un budget, une monnaie, aussi précieux soient ces instruments, elle ne peut pas non plus être une somme de traités, un ensemble de règles, nécessaires, pour vivre ensemble. L'Europe ne peut pas être non plus une addition de Nations, chacune venant chercher dans l'Union ce qui lui serait utile pour elle et pour elle seule. L'Europe, parce que c'est son histoire, parce que c'est son destin, est avant tout une volonté politique, c'est-à-dire un engagement où chacun accepte l'équilibre des droits et des obligations, où les règles sont respectées, où la confiance crée la solidarité, c'est-à-dire un projet dont on ne peut pas discuter sans cesse des acquis et remettre tout en cause à chaque étape.

En revanche, je considère légitime de travailler à une nouvelle architecture de l'Union. Je plaide pour une Europe différenciée, selon l'expression de Jacques DELORS, ça ne serait pas une Europe à deux vitesses, qui deviendrait d'ailleurs vite une Europe inégale, ou une Europe divisée, ce n'est pas davantage une Europe à la carte. Non, l'Europe différenciée c'est une Europe où des Etats, pas toujours les mêmes, décident d'aller de l'avant, d'engager de nouveaux projets, de dégager des financements, d'harmoniser leurs politiques, au-delà du socle substantiel, qui doit demeurer, des compétences communes.

Mais je n'invente rien en vous disant cela. C'est cette démarche qui a permis de dépasser les frontières avec Schengen, de créer une monnaie unique avec l'euro, d'instituer la taxe sur les transactions financières. Cette démarche, c'est la voie des coopérations renforcées, ouverte à tous, à tous ceux qui veulent les rejoindre, et un jour, pouvant nous rassembler tous autour de ces principes. Dans cette Europe, le Parlement européen aura un rôle majeur à jouer, parce que, par son contrôle, il assurera la cohérence d'ensemble.

Je veux également rendre l'Europe plus lisible, j'ai plaidé pour une intégration budgétaire, fiscale, sociale, elle est là. Elle appelle une union politique plus forte, sinon elle est hémiplegique, ce qui veut dire un gouvernement de la zone euro, de nouveaux instruments financiers, pour agir, et un budget, sous certaines conditions, de la zone euro, s'articulant au budget de l'Union européenne. Tout cela sous le contrôle du Parlement européen et des Parlements nationaux.

Je souhaite que les élections européennes de l'année prochaine, soient l'occasion d'un grand débat sur l'avenir de l'Europe, qui permettra de déterminer les politiques que nous aurons à conduire - sans doute - et surtout l'architecture que nous aurons à proposer. Sans oublier les candidats aux postes essentiels de notre Union pour qu'il y ait une grande délibération collective en Europe et que l'on sorte, ensuite, avec une légitimité renforcée. Car l'Europe doit avoir les institutions qui lui permettront de peser sur le destin du monde.

L'Europe c'est un continent de paix et de démocratie, qui ne cherche rien pour lui-même, mais qui apporte au reste du monde son héritage, ses valeurs, ses principes. Et donc l'Europe doit prendre sa part du combat pour la démocratie, pour la dignité humaine.

C'est la raison pour laquelle j'ai décidé au nom de la France d'intervenir au Mali. J'ai pris cette décision dans le cadre du droit international. Il n'y avait pas de temps à perdre ou plus exactement si nous avions laissé le temps, c'était celui du terrorisme qui aurait à ce moment-là conquis l'ensemble du Mali. Je l'ai fait, ce choix, au nom de la France, parce que c'était notre responsabilité. Nous étions présents dans cette région du monde. Nous pouvions apporter immédiatement l'aide que le Président malien attendait de nous. Et cette décision, je l'ai prise aussi au nom de l'Europe, au nom de la Communauté internationale.

Je veux ici remercier le Parlement européen pour le soutien et pour la compréhension dont il a fait preuve dans ce moment si particulier où un pays européen s'engage pour un pays africain. Un pays qui ne s'engage pas pour ressusciter les séquelles du passé, mais au contraire pour apporter la dignité à un peuple qui lui-même avait permis à mon pays d'être libéré de la servitude durant la seconde guerre mondiale.

J'assure ici, le Mali retrouvera son intégrité territoriale, le moment est proche. Viendra le temps politique, celui du dialogue, de la réconciliation, de la stabilité dans ce pays et dans cette région de l'Afrique de l'ouest, le temps du développement et ce temps-là doit être celui des organisations africaines, elles y sont prêtes, elles sont déjà présentes sur place. Ce doit être aussi le temps de l'Europe, parce que nous avons à agir non seulement pour la paix, mais nous avons à agir pour la sécurité dans cette partie-là de l'Afrique.

Former et équiper l'armée malienne, et les forces de la MISMA, permettant d'assurer la sécurité sur le territoire, d'éviter des exactions et les règlements de compte, permettre la transition politique, le rétablissement de la démocratie, le processus électoral.

L'Europe, elle est attendue pour ces raisons et l'Europe, elle est attendue également pour participer au développement du Sahel, en tirant les leçons des politiques qui ont été menées jusqu'à présent et qui n'ont pas empêché l'effondrement des économies de ces pays, et surtout le développement des trafics. Je l'affirme ici, la lutte contre le trafic de drogue est un élément essentiel si nous voulons lutter contre le terrorisme parce que le terrorisme se nourrit du trafic narcotique partout dans le monde et notamment en Afrique de l'ouest.

Nous devons aussi dans cette redistribution des cartes de la puissance à l'échelle du monde. Ne laissez aucun doute sur la détermination de l'Europe à porter ces valeurs. Mais nous devons en tirer là encore les conséquences, avoir la lucidité indispensable pour élaborer une stratégie pour conduire une véritable politique extérieure commune, pour avoir une défense européenne. La France y est prête. Il est temps là encore d'en finir avec la dispersion des initiatives de rassembler nos forces et nos moyens, de rapprocher nos industries, d'harmoniser aussi nos positions dans les instances internationales où l'Europe doit parler d'une voix, d'agir pour résoudre les conflits qui heurtent les consciences humaines.

Je pense à la Syrie. Pour éviter la prolifération nucléaire, je pense à l'Iran. Pour peser sur les négociations entre Israéliens et Palestiniens, parce que ce moment-là aussi est venu et que l'Europe ne doit pas attendre les Etats-Unis, mais être déjà là pour hâter la reprise de ces discussions.

L'Europe, elle doit également prendre sa part dans l'enjeu climatique, et la France est prête à organiser la « Conférence climat » en 2015, mais nous ne réussissons pas seul. L'Europe, là encore, doit être exemplaire en matière d'énergies renouvelables, et d'efficacité énergétique.

Je crois à l'Europe, parce que je pense qu'elle est utile, non seulement aux Européens, mais au monde tout entier, et la meilleure manière pour l'Europe de protéger ses intérêts c'est de défendre son modèle, ses valeurs, à l'échelle du monde. Nous devons revenir au sens-même du projet européen, qui est un projet politique fondé sur des valeurs et sur la circulation des personnes, des connaissances, des idées, des œuvres, de la culture et de la création. C'est en rappelant inlassablement cette ambition que nous serons à la hauteur de notre histoire et surtout de l'espérance des nouvelles générations.

C'est l'Europe de la connaissance, c'est l'Europe des universités, de la recherche, de la culture, qui est attendue. Nous, Européens, nous portons une culture qui va bien au-delà de nous-mêmes. Nous ne devons pas la considérer comme un patrimoine à protéger, mais comme un mouvement à promouvoir. C'est le principe de l'exception culturelle, c'est l'idée que les œuvres de l'esprit ne sont pas des marchandises comme les autres, c'est la conviction que l'identité culturelle de nos nations est essentielle, et que le pluralisme, la liberté, doivent être défendus à l'échelle du monde.

Une fois encore, à cette tribune, j'appelle, après d'autres, la construction européenne de se donner une dimension culturelle. Ce qui exige de garantir la propriété intellectuelle et les droits d'auteur, de définir ensemble les règles économiques et fiscales pour que les artistes soient rémunérés davantage que ceux qui font circuler leurs œuvres, c'est-à-dire les fournisseurs d'accès, de faire que nous ayons une Europe du numérique, où les technologies soient au service d'un projet de civilisation.

Mesdames, Messieurs les députés, François MITTERRAND devant le Parlement européen il y a 18 ans, 18 ans, demandait à ceux qui l'écoutaient de tout faire pour que les Européens aiment l'Europe, 18 ans après, convenons-en, nous sommes loin du compte, et le risque n'est plus l'indifférence, mais le détachement, pour ne pas dire la rupture.

Telle est notre responsabilité, regardons-la en face, celle des chefs d'Etat et de gouvernement, celle de la Commission européenne, celle du Parlement européen.

Je vous le dis tout net, le sursaut, il sera collectif, ou il ne sera pas, mais le temps presse.

Nous pouvons sortir de cette période difficile en ouvrant un nouveau chemin. L'Europe a été capable de surmonter des épreuves bien plus graves que celles d'une crise, mais il nous faut définir une nouvelle ambition. Et cette nouvelle ambition ne pourra pas réduire la précédente. C'est une illusion de penser qu'il faudrait abandonner ce que nous avons engagé depuis des années pour construire une nouvelle espérance. Au contraire, il faut partir de tout ce que nous avons fait pour faire ce qui reste encore à accomplir. Et je sais aussi que toute avancée européenne doit correspondre à une nouvelle étape de la démocratie.

Mesdames et messieurs les députés, pour faire cette nouvelle étape, pour accomplir le projet européen, pour faire avancer la démocratie, c'est vous qui allez décider.

Merci

Hollande wants euro nations to drive exchange rate

Christian Lutz

68,83

French president Francois Hollande gestures during a press conference at the European Parliament Tuesday, Feb. 5, 2013, in Strasbourg, eastern France. Hollande warns of a tough European Union summit later this week if countries including Britain continue to demand drastic cuts to the EU budget while refusing to make concessions themselves. (AP Photo/Christian Lutz)



Posted: Tuesday, February 5, 2013 9:41 am | Updated: 11:03 am, Tue Feb 5, 2013.

Associated Press | [0 comments](#)

French President Francois Hollande is calling on eurozone nations to help control the value of their shared currency.

The euro has been rising against other currencies in recent weeks, hurting exporters in the 17-country bloc. That's partly because central banks in the U.S. and Japan are pursuing monetary stimulus, which has the effect of weakening their currencies.

Hollande says Tuesday that governments "must look at the midterm for an exchange level that we consider the most realistic, the most compatible with our real economy."

The view contrasts with that of the European Central Bank, which maintains that the euro's value should be defined by markets. The ECB, which sets the eurozone's monetary policy independently of national governments, has its monthly meeting on Thursday.

Wettlauf um Währungsschwäche

05.02.2013 · Ein „Währungskrieg“ rückt näher. Doch so ein Abwertungswettlauf kann böse enden. Es droht eine Abwärtsspirale mit großen Wohlstandsverlusten.

Von [Holger Steltzner](#)

Ein „Währungskrieg“ rückt näher. Japan erklärt die Abwertung des Yen zum Regierungsziel, macht die Notenbank zum Büttel der Staatsfinanzierung und zwingt den Gouverneur der Bank von Japan zum Rücktritt. Amerikas Notenbank verfolgt wie die Bank von England und die EZB ebenfalls eine ultralockere Geldpolitik mit Zinsen zum Nulltarif und einer gigantischen Ausweitung der Geldbasis durch den Kauf von Staatsanleihen.

Vordergründig soll dadurch die Wirtschaft in Schwung gebracht und die eigene Währung geschwächt werden, damit eigene Unternehmen Waren leichter ausführen können. Doch immer zielt so eine Politik auch auf die Schwächung anderer Staaten.

Wie böse ein Abwertungswettlauf enden kann, zeigt die Wirtschaftsgeschichte zwischen den Weltkriegen. Wenn alle Länder abwerten wollen, was unmöglich ist, droht eine Abwärtsspirale aus Währungskollaps, Kapitalkontrollen, Marktturbulenzen und das Ende des Freihandels mit großen Wohlstandsverlusten.

Frankreich hat maßgeblichen Anteil daran, dass aus der EZB ein politisches Werkzeug wurde. Nun sollte Staatspräsident Hollande nicht auch noch der Manipulation von Wechselkursen das Wort reden.

Quelle: F.A.Z.

Bartolone : l'objectif des 3% en 2013 est «absurde»

Par [Sophie Huet](#) Mis à jour le 15/10/2012 à 12:21 | publié le 14/10/2012 à 20:29

68,86



Claude Bartolone. Crédits photo : RTL / Frédéric Bukajlo / Abacapress

Claude Bartolone était l'invité du « Grand Jury RTL-LCI-Le Figaro » dimanche soir.

[Claude Bartolone](#) a réaffirmé dimanche soir que l'objectif de réduction des déficits à 3 % du PIB avait «un côté absurde par rapport à la situation que nous connaissons». «L'Europe ne peut pas être le continent où l'on dit: rigueur, rigueur, chômage. En même temps, il faut que la France soit très attentive à montrer qu'elle veut désendetter le pays», a expliqué le président de l'Assemblée nationale, qui était l'invité du «Grand Jury RTL-LCI-Le Figaro». «Je le redis, c'est de la responsabilité des Européens, et notamment de la Commission européenne, que de dire que 3 % dans une période de croissance et 3 % dans un moment où l'Europe est confrontée à ces difficultés économiques, ce n'est pas la même chose», a-t-il insisté.

Opposé à l'inclusion des œuvres d'art dans l'ISF

Par ailleurs, Claude Bartolone a pris la défense des [entrepreneurs regroupés derrière les «pigeons»](#) et s'est félicité que le gouvernement ait reculé: «Le taux (de taxation des plus-values en cas de cession) aurait pu être décourageant pour les créateurs d'entreprise. C'était désastreux pour la relation à construire avec les entrepreneurs.»

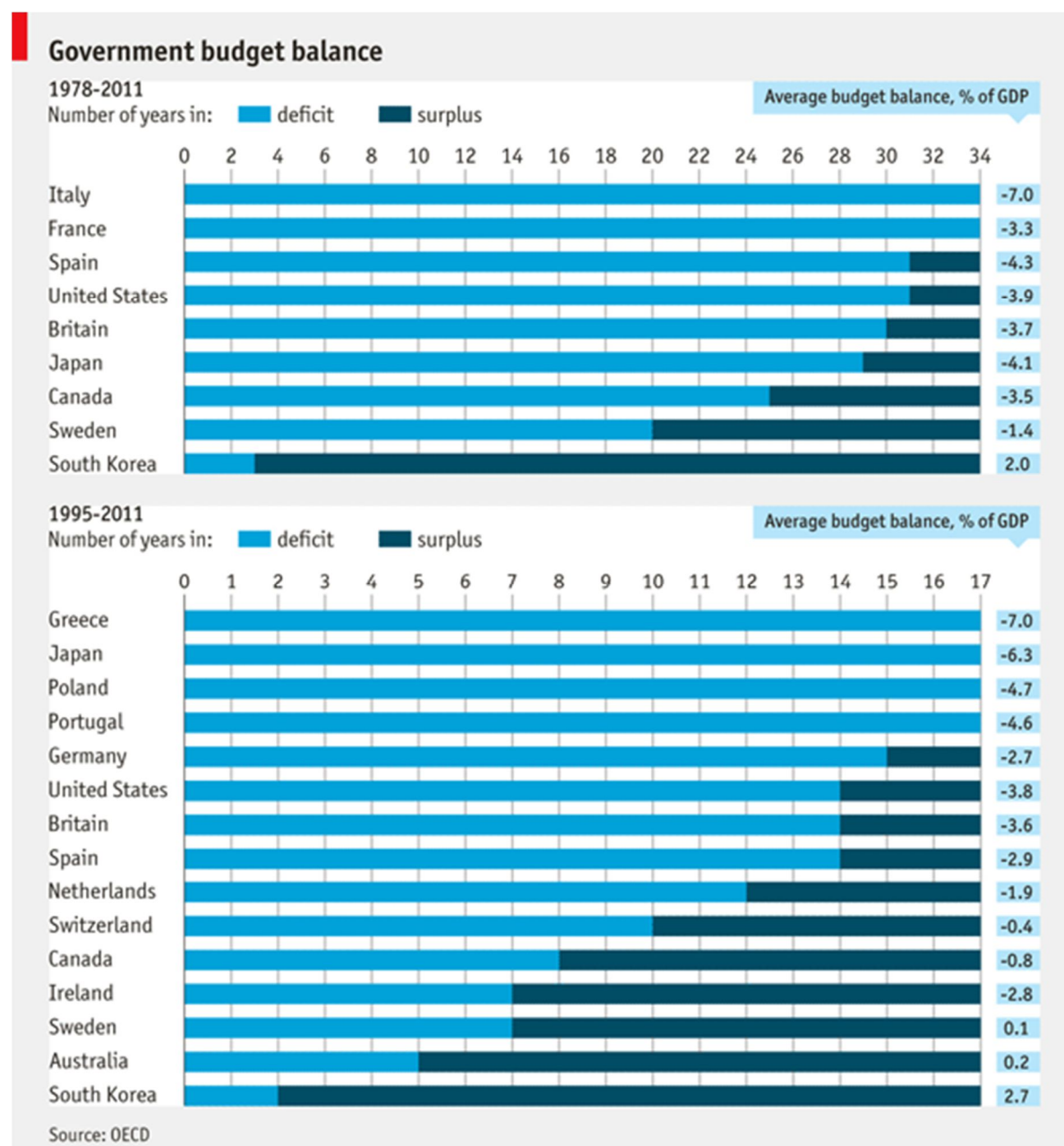
Bartolone s'est en outre déclaré opposé à l'inclusion des œuvres d'art dans l'assiette de l'ISF. «Je pense que c'est une mauvaise idée. Il faut voir ce que ça peut rapporter et coûter. Cela pourrait affaiblir la place de Paris», a objecté Bartolone. Le président de l'Assemblée s'est en revanche dit «favorable» au dépôt d'un amendement PS sur la procréation médicalement assistée (PMA) dans le projet de loi sur le mariage homosexuel, alors que le premier ministre veut renvoyer l'examen de cette question à une future loi bioéthique. «Ce n'est pas une divergence sur le fond mais sur la forme», a relativisé Bartolone, qui a martelé: «Nous n'avons pas une majorité godillot. Nous voulons que le Parlement retrouve tout son lustre.» Interrogé sur l'attitude des 17 députés PS qui ont voté contre le traité européen, il a estimé: «On ne pourra pas faire comme si rien ne s'était passé.» Sur le vote des étrangers, Bartolone veut «continuer à discuter» avec Jean-Louis Borloo, qui ne souhaite pas de débat. «Je souhaite ce vote», a-t-il assuré.

Give us austerity, but not yet

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

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

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



Hollande Warns Britain About Its Demands on E.U.

By [JAMES KANTER](#)

BRUSSELS — President [François Hollande](#) of [France](#) told the European Parliament on Tuesday that countries like [Britain](#) were on a dangerous path that other members of the [European Union](#) might not accept and suggested that their demands could even jeopardize the bloc.

The Union, said Mr. Hollande, is more than a marketplace, as the British sometimes see it, and he said France would oppose British proposals for deep cuts to the bloc's communal budget at a summit meeting this week.

Making his first appearance as French head of state at the Parliament, in Strasbourg, Mr. Hollande sketched a vision of the Union's future that is radically different than that of [David Cameron](#), the British prime minister, who said last month that his country wanted to continue its free-trade relationship with the bloc — but shield it from Union rules in areas like finance and justice.

Mr. Hollande did not identify Britain or Mr. Cameron during his speech in Strasbourg. But Mr. Hollande said an “à la carte” approach to Europe was wrong in what was a thinly veiled reference to the position of the British leader, who last month demanded changes to the Union's treaty and promised a British referendum on whether to remain inside the bloc. Instead, Mr. Hollande pleaded for a less confrontational approach from discontented members like Britain.

“A Europe with differences is a Europe where states — not always the same ones — decide to go ahead, take on new projects, unblock funds, harmonize their policies and to go beyond the base of common competences that we've created and that must remain intact.”

Mr. Hollande also warned in his speech that Europe faced “no longer the risk of indifference, but detachment, even a split.”

In a news conference later, Mr. Hollande said that Mr. Cameron had the sovereign right to call a referendum on membership but that the British leader had a different vision of Europe.

“My conception of Europe is not to call into question the gains” derived from membership in the Union but to emphasize the “construction of Europe,” Mr. Hollande said.

The next major challenge for the Union — and for relations between big members like France and Britain — gets under way on Thursday when the Union's 27 leaders gather in Brussels for a two-day summit meeting that is aimed at delivering a seven-year budget worth about €1 trillion, or \$1.36 trillion, for the period from 2014 to 2020.

A failure to reach a deal would be an embarrassment for the Union, which already spent much of the past two years in summit meeting after summit meeting seeking to keep the euro currency union intact. The previous attempt in November failed after net contributor countries like Britain, Germany and Sweden were at loggerheads with net recipient countries like Poland, Lithuania and Spain over the size of the budget.

A failure to reach a deal this week could also make it hard to agree until 2015 on a long-term budget, after elections in Germany in September and in 2014 for the European Parliament, whose approval is also required for the plan.

Mr. Hollande said he was prepared to compromise to reach a deal this week. But he staunchly defended farm subsidies cherished by French growers and warned that cutting too deeply into other areas, like infrastructure funds, would jeopardize growth and face stiff opposition from other countries.

It is necessary “to reason with those who want to amputate the E.U. budget beyond what it was possible to accept,” he warned. Answering questions from members of Parliament, Mr. Hollande took direct aim at Britain, asking, “Why should one country be able to decide in the place of 26 others?”

Mr. Cameron has called for wide-ranging cuts and reducing a proposed budget of €973 billion for the period from 2014 to 2020.

In a statement on Tuesday, Herman Van Rompuy, the president of the European Council, the body that is organizing the summit meeting, said he wanted “final negotiations” on the budget to begin on Thursday. But he warned that the negotiations could be long and rancorous.

“Budget talks are always difficult, lengthy and can look messy from the outside — and sometimes even from the inside,” Mr. Van Rompuy said. “It happens that we get so absorbed by small details during the negotiations that the bigger picture gets lost.”

He added that agreement would help tackle youth unemployment and bolster research and job creation.

Mr. Van Rompuy also promised to deliver the first budget delivering “a real terms cut” compared with the previous seven-year budget.

02/06/2013 10:15 AM

Core or Periphery?

68,89

Poland's Battle Over Embracing the Euro

By Jan Puhl

Prime Minister Donald Tusk and the Polish business community want to boost competitiveness by introducing the euro. However, the opposition and a majority of Poles believe the country's independence and stability could suffer.

It's a typical paparazzi photo. Chris Martin, lead singer of the band Coldplay and the husband of actress Gwyneth Paltrow, steps out of his New York townhouse with his young daughter, Apple, on his arm.

It isn't really the sort of photo that interests Slawomir Piwowarczyk, from Nowa Huta near Krakow, but he studied this one very carefully. He had noticed the yellow soles on Apple's shoes, a trademark of his company, Gucio. He even owns the patent. "Do you think the stars know where their children's shoes are from?" he asks.

Piwowarczyk produces 700 pairs a month -- by hand -- with his wife Beata, his mother-in-law and three employees in a barn on the grounds of the former Lenin Metal Combine. His design for children's shoes is brilliantly simple and has won several awards.

He is currently writing a business plan, and when he's finished, he wants to apply for European Union funds to build a real production facility. "We sell 70 percent of our shoes abroad, through the Internet," Piwowarczyk says. "As an exporter, I feel that it's high time that Poland introduces the euro."

Many Polish business owners who have established companies in recent years and are now hoping for a breakthrough into the European Union agree. Since the fall of communism in 1989, Poland has become an EU member that has developed from a backward, agricultural country into a prosperous nation. Now liberal-conservative Prime Minister Donald Tusk wants to take the next step. He has announced his intention to hold a "national debate" in the spring over Poland's accession to the euro zone. "How should we decide?" he asks. "Do we want to be part of Europe's core in the future or remain along its periphery?"

With its national debt at only 56 percent of GDP and its currency, the zloty, relatively stable, the stability criteria are hardly an issue for Poland. The only minor sticking point is that last year's 3.1 percent budget deficit is slightly higher than the deficit-to-GDP ratio of 3 percent demanded by the Stability and Growth Pact.

The parliament is a much bigger hurdle. Replacing the zloty with the euro would require an amendment to the constitution with a two-thirds majority, which Tusk doesn't have. The right-wing nationalist opposition headed by Jaroslaw Kaczyski has announced its intention to sharply oppose the plan.

Stiff Resistance

Poland is headed for the kind of culture war it hasn't experienced since it joined the European Union in 2004. The government camp argues that the country needs the euro to remain competitive. But the conservative-nationalist opposition believes that Poland's independence is at risk. It argues that, owing to German dominance, if Poland joins the euro zone it will lose the national character it developed in difficult struggles that claimed many victims.

"We are about to face a battle," says Henryka Bochniarz, president of the Polish Confederation of Private Employers. She called for "political leadership" in a letter she wrote to the premier. "We need a business plan," she says. "Where do we see Poland in 10 years?"

About 75 percent of Polish exports go to EU countries. If the country joined the euro zone, one of the most important benefits is that the transaction costs caused by fluctuating exchange rates would disappear.

Piwowarczyk, the shoemaker, says that he can hardly estimate at the beginning of a month what he will have made at the end. "I feel every exchange rate fluctuation directly in my wallet," he says.

But according to the most recent polls, 58 percent of Poles are skeptical about the euro. Despite the Europe-wide recession, Poland consistently generated high growth rates, but now the crisis has arrived. Poland's 38 million people are holding onto their money, triggering a sharp drop in domestic demand. The Polish economy grew by only 2 percent in 2012, compared to 4.5 percent in 2011.

It is mostly older Poles, the unemployed and rural residents who are afraid of the euro. They fear a drastic rise in food prices. These are the people opposition leader Kaczyski targets with his message. The polls sometimes show his Law and Justice Party dead even with Tusk's Civic Platform Party.

Kaczyski is fighting Tusk's pro-European approach. The first showdown is expected in late February and early March, when the Polish parliament, the Sejm, will vote on ratification of the European fiscal compact, the agreement championed by German Chancellor Angela Merkel that obliges signatories to implement balanced-budget legislation and accept automatic sanctions for violating the new deficit rules

Krzysztof Kawecki is one of those organizing resistance to the pro-European approach. He is the director of a private business college in Warsaw and a member of the center-right Right Wing of the Republic party. It is even more conservative than Kaczyski's Law and Justice Party, though they campaign on a joint list. Last fall, Kawecki led hundreds of demonstrators in a "march for the zloty" in front of the presidential palace.

"We think that EU integration goes much too far," says Kawecki. "We don't want a United States of Europe, but a confederation of independent national states." The fiscal compact, he says, gives Brussels a say in fiscal and budgetary policy. Kawecki believes that it would be "suicidal" to introduce an ailing currency like the euro today. The next march for the zloty is already being planned, he adds, "and there will be many more after that."

Translated from the German by Christopher Sultan

Die Hausfrau - weder Leitbild noch Feindbild

05.02.2013 · Wie misst man den Erfolg der Familienpolitik? Entscheidet er sich an der Zahl der Geburten oder an der Erwerbstätigenquote von Frauen? Ein Gastbeitrag der Bundesfamilienministerin Kristina Schröder.



© dpa Die Hausfrau ist kein Leitbild mehr, aber auch kein Feindbild, schreibt Familienministerin Kristina Schröder im Gastbeitrag

Es gibt nicht mehr viele Politikfelder, auf denen mit solchen harten Bandagen gekämpft wird wie in der Familienpolitik. Von Verschwendung ist die Rede. 200 Milliarden Euro, vom Kindergeld über die Witwen- und Waisenrente bis hin zum Ehegattensplitting gelten als „ineffektiv“. Für den SPD-Kanzlerkandidaten Steinbrück ist deshalb klar, dass das Geld „in die Infrastruktur“ umverteilt werden muss. Dafür sollen das Ehegattensplitting abgeschafft und Kinderfreibeträge beschnitten werden.

Nur: Woran bemisst sich dieses Urteil überhaupt? Woran messen wir den Erfolg von Familienpolitik? Das ist die Gretchenfrage. Bevor die nicht beantwortet ist, ist jedes Urteil sinnlos. Entscheidet sich der Erfolg an der Zahl der Geburten? Oder an der Zahl armutsgefährdeter Familien? Entscheidet er sich an der Erwerbstätigenquote von Frauen? Oder am subjektiven Wohlbefinden der Familie?

Familienpolitik als Instrument der Arbeitspolitik

Sehr aufschlussreich war hier die Debatte über das Betreuungsgeld. Abermals machte der SPD-Kanzlerkandidat deutlich, worum es ihm geht: Um ein Leitbild, nach dem Frauen schnellstmöglich nach der Geburt wieder dem Arbeitsmarkt zur Verfügung stehen und auf keinen Fall „Mutter an Heim und Herd“ sein dürfen - unabhängig davon, was die jeweilige Frau überhaupt will. Der Erfolg von Familienpolitik bemisst sich demnach an einer arbeitsmarktpolitischen Frage. Dementsprechend ist alles, was Mütter nicht schnellstmöglich wieder in Vollzeitarbeit bringt, „ineffektiv“. Natürlich kann man so argumentieren und Familienpolitik als Instrument der Arbeitsmarktpolitik begreifen. Nur: Was die Familien eigentlich selbst wollen, das spielt dann keine Rolle mehr. Und alle diejenigen Familien, die einfach nicht so leben wollen, wie Herr Steinbrück und Frau Künast das gerne hätten, für deren Lebensmodell wird es dann eben keine oder kaum noch Förderung geben.

Ich gehe in meiner Familienpolitik tatsächlich einen anderen Weg. Familien sind keine ökonomische Verfügungsmasse. Es ist richtig: Die Hausfrau ist nicht mehr das alleinige Leitbild christlich-liberaler Familienpolitik. Aber eben auch nicht das Feindbild. Es gibt in Deutschland genauso viele Familien, die ihre ein- und zweijährigen Kinder zu Hause betreuen wollen, wie es Familien gibt, die einen Kita-Platz brauchen. Ich empfinde es als eine Frechheit, den einen zu sagen, ihr macht es richtig, und den anderen, ihr macht es falsch. Für mich zählt, dass Familien so leben können, wie sie selbst leben wollen - und das ist individuell verschieden, je nach persönlichen Wertvorstellungen, ja nach Alter der Kinder, je nach beruflichen Zielen. Und dementsprechend halte ich es auch für falsch, der gesamten Familienpolitik nur ein einziges politisches Ziel vorzugeben, anstatt andersherum die Familienpolitik an den Zielen und Wünschen der Familien auszurichten.

Mehrere familienpolitische Ziele

Deshalb richtet sich die Gesamtevaluation ehe- und familienpolitischer Leistungen an den Wünschen der Familien aus. Der klare Auftrag ist es deshalb, zu untersuchen, inwiefern die bestehenden Leistungen insbesondere zur wirtschaftlichen Stabilität der Haushalte, zur besseren Vereinbarkeit von Familie und Beruf, zur Wahlfreiheit, zur guten Entwicklung von Kindern, zur Erfüllung von Kinderwünschen sowie zum Nachteilsausgleich zwischen den Familien beitragen. Es gibt also nicht die eine zentrale Fragestellung, sondern es sind mehrere familienpolitische Ziele, in denen alle Leistungen überprüft werden. Eine Leistung etwa, die vielleicht unmittelbar wenig zur Vereinbarkeit beiträgt, mag umso mehr zur wirtschaftlichen Stabilität der Familien beitragen. Die ganze Evaluation wird dabei in mehreren Modulen bearbeitet. Das Konzept sieht vor, dass Fragen und Methoden der verschiedenen Module einander ergänzen, so dass erst am Ende der Gesamtevaluation ein vollständiges Bild vorliegen kann. Ein einziges Modul oder gar eine einzige Fragestellung kann nicht das Gesamtbild ersetzen.

Am Ende des wissenschaftlichen Teils steht ein Gesamtbild, das deutlich macht, welche Leistung welche Effekte hat und welche familienpolitischen Ziele sie unterstützt. Aber eines ist dabei auch ganz klar: Die Wissenschaftler werden und können dabei keine Werturteile fällen. Die Frage, welche politischen Schlüsse aus der Evaluation gezogen werden, welche Werte wie gewichtet werden, muss die Politik beantworten.

Die Autorin ist Bundesministerin für Familie, Senioren, Frauen und Jugend sowie Mitglied des Deutschen Bundestages (CDU).

EUROPE NEWS

Updated February 5, 2013, 12:52 p.m. ET

68,93

Hollande Calls for Policy on Foreign Exchange

By [WILLIAM HOROBIN](#) and [GABRIELE PARUSSINI](#)

French President François Hollande on Tuesday urged euro-zone governments to consider ways to fulfill a mission the European Central Bank isn't mandated to carry out: run a foreign-exchange policy.



European Pressphoto Agency

French President François Hollande delivers his speech in the European Parliament in Strasbourg, France.

In a speech to the European Parliament, Mr. Hollande said a monetary zone "should have a foreign-exchange policy, otherwise it has an exchange rate imposed on it that does not correspond to the real state of the economy."

He said the euro can't be left fluctuating "depending on the mood of markets" and voiced concerns that its current high level was undermining efforts by European governments to shore up their public finances and improve the productivity of their economies.

"There's a paradox in asking some countries for a competitiveness effort and at the same time making their exports more expensive," said Mr. Hollande. "Otherwise we are asking countries to make efforts on competitiveness that are annihilated by the value of the euro."

French policy makers have long complained that with the ECB mandated solely to keep inflation in check, Europeans are left with little influence to fight in the global currency arena, where many countries are pursuing weak foreign-exchange policies to boost their performance on export markets.

German Chancellor [Angela Merkel](#) waded into the debate in January, taking a swipe at Japan's recent moves to weaken the yen and warning that political leaders must not use central banks to clean up their policy mistakes.

Ms. Merkel said the ECB had moved to the "edge of its mandate" in efforts to support weakened euro-zone economies by buying their bonds. But many European leaders see the ECB's mandate as too narrow and would like to empower the central bank to do more to promote growth in the bloc.

The ECB declined to comment on Mr. Hollande's remarks.

Mr. Hollande said he wasn't calling on the ECB to set objectives for the value of the euro, but wanted European governments to be more proactive. "It doesn't only depend on the ECB, it's also the role of the euro-zone governments to establish the priorities of the currency," he said.

Rhetoric aside, analysts said Mr. Hollande's political rallying cry is unlikely to have a tangible impact on the euro, which barely budged in response to his remarks.

"I don't think François Hollande can honestly believe he has some prospect of bringing in a working exchange-rate policy," said Alastair Newton, senior political analyst at Nomura in London. "These sorts of comments are perhaps inevitable at a time when the U.S. has generated a fair amount of dollar weakness and the Japanese have managed to talk down the yen—it's almost inevitable to see European politicians chipping in."

He said France should be thinking about "a lack of competitiveness of the economy rather than the euro."

Since dropping as low as \$1.2042 last year as investors panicked that Spain or Italy might be swept into the euro-zone crisis, the common currency has appreciated sharply. A return of confidence in the long-term future of the euro zone has played a role in that ascent. But observers say the actions of global central banks are also looming large.

The U.S. Federal Reserve has pledged to keep short-term interest rates low. The Bank of England and the Fed are running massive quantitative-easing programs. The Bank of Japan has moved to hold down the yen.

But the ECB is going the other way. A year ago, it flooded banks with inexpensive loans. It now is withdrawing that liquidity by accepting repayment.

Since the end of November, the yen has dropped more than 13% against the dollar, and 18% against the euro. Last week, the dollar plunged to its lowest level against the euro in 14 months.

Against this backdrop, company executives and policy makers warn that the global financial system is facing a wave of competitive currency depreciations in response to such monetary policies coupled with the strict exchange-rate controls of China.

An appreciation of the euro comes as France and other euro-zone countries are making efforts to cut labor costs to boost economic growth. In recent weeks, ministers in Mr. Hollande's government have said a strong euro is making French products less competitive on global markets.

Within the euro zone, Mr. Hollande also said economies need to be rebalanced, hinting that large exporters like Germany should do more to consume the products of other countries in the currency bloc.

"There are countries that have surpluses and high levels of competitiveness and others with deficits that have efforts to make," he said. "Countries in the first situation should boost domestic demand to allow others to one day see a return to activity."

[Pat Curtin](#) Wrote:

"large exporters like Germany should do more to consume the products of other countries in the currency bloc."

Hollande and his fellow socialist crackpots will destroy what's left of Europe's economy. Then, when the civil wars are resolved; we can all get on with open markets again.

o [John Sliwka](#) Replied:

Unfortunately, open markets wont work as long as long as the French are part of that union. An open society is not comprehensible to the French.

o [JEFFREY CONBOY](#) Replied:

What else do you expect from this guy? The Germans will eventually be consuming more of their own products. A weakening of the Euro does not change the fact that Greece does not have exports that most nations care about.

- [Don Brazier](#) Wrote:

>>> Hollande voiced concerns that its current high level was undermining efforts by European governments to shore up their public finances and improve the productivity of their economies. <<<

If M Hollande wants a low rated currency he should consider re-establishing the Franc.

You join a monetary union, you take your lumps.

Rather than a policy there needs to be a logic. At the present, European nations share the same foreign exchange rates but different yield curves. Now exchange rates are not only 'spot' but you can go to banks or to the CME to buy future exchange rates. For instance suppose a US holiday operator wants to book tours in Germany and Greece for summer 2014 with no currency risk; they will be quoted the SAME forward foreign exchange rate for both. However this will be 'unfair' because interest rates in Greece are higher than interest rates in Germany; the 2013 Greek and German holidays may cost the same, but the 2014 Greek holiday should cost less while the 2014 German holiday should still be at its 2013 cost.

What the ECB should do is to announce that they will publish the weighted average 24 month Euro government rate and then commit to intervening in the forward foreign exchange markets so that this forward exchange rate reflects the average market interest rate and not some theoretical Euro bank rate. The ensuing forward discount of the EUR/USD foreign exchange rate should promote a steepening of the government yield curve which in turn promotes Bank profits, and hence growth in the Eurocore while putting the Euro on a weakening course, albeit in a measured and predictable way.

Countries sharing a spot exchange rate need the forward rate partially to reflect their domestic interest rate.

- [John Sliwka](#) Wrote:

"depending on the mood of markets"

As always the French motto is "regulate". It has been the same since Colbert in the 17th century. They have no notion of a free market and consider it evil. No wonder that their economic system is a failure and they also wonder why.

- [Kevin Alexanderman](#) Wrote:

I am waiting for Holland to grow a short, cropped moustache and start demanding the goose-step of his military, like that other socialist who tried to unify Europe in the 1930s-40s.

We all know about the neural weapon, Mr. Holland. You are not a hero because you used it to look good to voters after contributing to hundreds, maybe thousands of deaths in Mali in a staged war.

The modern cry of the socialists is "keep the violence on foreign shores, and the voters will never figure it out".

- [Andrew Eppink](#) Wrote:

I'd think Hollande w/b pushing for some sort of French aid prog from the other nations so no one in France has to work.

- [Julia van Bommel](#) Wrote:

Next thing you know, he is proposing some form of regulated centralized economy... why not? Once we get into foreign exchange regulation, what's stopping us?

This guy is a clown. He wants to deal with the symptoms rather than the cause.

Weidmann warns of currency war risk

By Michael Steen in Frankfurt

The erosion of central bank independence around the world threatens to unleash a round of competitive exchange rate devaluations, which leading economies have so far avoided during the financial crisis, the president of Germany's Bundesbank warned on Monday.

Jens Weidmann, whose institution's own fierce independence from political influence was the model for the European Central Bank when it was founded, said Stephen King, the chief economist at HSBC, was "perhaps right" in forecasting an [end to the era of central bank independence](#).

"It is already possible to observe alarming infringements, for example in [Hungary](#) or in [Japan](#), where the new government is massively involving itself in the affairs of the central bank, is emphatically demanding an even more aggressive monetary policy and is threatening an end to central bank autonomy," Mr Weidmann said in a speech in Frankfurt.

"Whether intended or not, one consequence could be the increased politicisation of the exchange rate," he said, according to a text of his speech provided by the Bundesbank. "Until now the international monetary system got through the crisis without competitive devaluations and I hope very much it stays that way."

Both the Bundesbank and later the ECB were founded on mandates that gave them wide powers and freedom from political interference in return for focusing solely on keeping inflation in check. Some observers argue that the ECB now faces a challenge if other central banks ditch their own inflation targets and act to lower exchange rates against the euro, making exports from the embattled eurozone economies less competitive.

Asked about the trend for central banks to look less at inflation-targeting and more at policy areas that affect exchange rates, Mario Draghi, president of the European Central Bank, said earlier this month that the [exchange rate was very important](#) "as far as growth and stability" were concerned but was not a policy target for the ECB.

He also noted that the Group of 20 leading industrial nations had pledged not to undertake competitive currency devaluations as such action undermines economic and financial stability.

Mr Weidmann said the period in the 1980s and 1990s during which central banks around the world had been made independent had heralded a period of "great moderation" during which inflation fell. But the outbreak of the financial crisis and the growing energy and raw materials demand from fast-growing economies had put rising prices back on the agenda and complicated the job of a central bank.

This had led to demands on central banks to support the financial system, stimulate the economy and lower government refinancing costs "or even secure the solvency of a state", he said. "Overloading central banks with tasks and expectations is however certainly not the correct path towards sustainably overcoming the crisis."

The Bundesbank chief, whose concerns about straying from orthodox monetary policy prompted him to [vote against and campaign openly against](#) Mr Draghi's unlimited bond-buying plan last year, concluded by quoting approvingly from an [interview](#) Mr Draghi gave to the Financial Times in December. Central banks could best defend their independence by narrowly interpreting their mandate, he said.

"In summary, it can be said that "Today most central banks are independent, headed by non-elected officials, and quite powerful. This set-up is acceptable only if independence is limited by the mandate. That's the framework the legislators have given us [...]. That is why we are so keen about respecting the mandate, because that's the true guarantee of our independence, which [...] is crucial for our credibility. And credibility is essential for delivering price stability."

Those words are not mine, by the way, but come from a recent interview with Mario Draghi, who put the point most succinctly."

MAIN FOCUS

Hollande against EU budget cuts

French President François Hollande warned against [cuts to the EU budget](#) in a speech before the European Parliament in Strasbourg on Tuesday and called for an active exchange rate policy for the Eurozone. Hollande has set France on a collision course with [Britain](#) and Germany ahead of the EU summit on Thursday, commentators write.

Blog Gavin Hewitt's Europe - United Kingdom

President headed for confrontation

Hollande made it clear in his speech that the main line of conflict in the upcoming budget negotiations will be between France and the UK, Europe editor Gavin Hewitt comments in his blog on the BBC website: "French President Francois Hollande is preparing for a tough negotiation this week over the EU budget. Speaking at the European Parliament, he said 'the negotiations are very difficult' and there is not, in his view, a deal in place. If there is a fight, the French [finger of accusation](#) seems to be already pointing at Britain. Several countries agree with the UK in seeking a freeze in EU spending allowing for inflation but Prime Minister David Cameron is seen as taking the hardest line over future spending. There are persistent rumours that further budget savings will be proposed by cutting back on infrastructure and energy projects. President Hollande indicated he would oppose such cuts." (05/02/2013)

» [full article](#) (external link, English)

More from the press review on the subject » [EU Policy](#), » [United Kingdom](#)

All available articles from » [Gavin Hewitt](#)

Who's saying what » [EU budget new bone of contention](#), » [Cameron flexes his muscles](#)

Deutschlandfunk - Germany

Hollande puts a spoke in Europe's wheel

France's President François Hollande has warned against cuts in the EU budget and called on Europe's leaders to steer the euro's exchange rate. In so doing he breaks with Germany's strategy of not seeking to influence currency rates, the website of the German public radio station Deutschlandfunk notes, calling the speech backward-looking: "Hollande's formula of 'greater solidarity and integration' may be suited to overcome the euro-policy trench in his own country. But it won't advance the future construction of Europe. Because headwind will come from Germany, if nowhere else. Berlin will not accept even more southern flair in monetary policy. Hopefully not, that is! As it is, many of the original rules behind the monetary union have already been watered down to the point where they are unrecognisable. ... In her November address to the European Parliament, Angela Merkel spoke of a common fiscal, economic and financial market policy. François Hollande could not have made it more clear just how far Europe is from that goal." (05/02/2013)

Ouest-France - France

Action on integration, not just words

Hollande's clear commitment to Europe is important but won't be enough, the regional paper Ouest France comments: "He spoke of integration and solidarity, and about strengthening Europe in all important areas -

from the currency to culture to defense. He called for a broad debate in Europe on how to deepen this relationship with the next European elections in 2014. In short, the parliamentarians heard the speech of a convinced European. Nevertheless it's not enough just to reaffirm France's European ambitions. If the French president wants to avoid being accused of just saying what the MEPs wanted to hear, he will have to defend this vision in the European Council. And there ambitions are judged on the basis of concrete measures."
(06/02/2013)

» [full article \(external link, French\)](#)

More from the press review on the subject » [EU Policy](#), » [France](#), » [Europe](#)

05.02.2013



François Hollande (Bild: picture alliance / dpa Ian Langsdon)

Europa bringt das nicht voran

68,99

Frankreich will eine andere Eurowährungspolitik

Von Ursula Welter, Studio Paris

So mutig wie Angela Merkel ist François Hollande nicht. Die europäische Grundsatzrede der Bundeskanzlerin im November vergangenen Jahres deutete weit nach vorne. Der französische Staatspräsident hingegen hat heute in Straßburg vor allem in die Kiste der alten Rezepte gegriffen. Dass er François Mitterrand zitierte, den Präsidenten der achtziger und frühen neunziger Jahre, mag die Herzen der französischen Sozialisten erwärmen. Europa bringt es nicht voran.

Wie schon Mitterrand, der das zu Beginn seiner Regierungszeit gleich dreimal tat, möchte François Hollande gerne an der Wechselkurschraube drehen. Gerade so, als wäre es dem alten Kontinent und dem inneren Wert seiner Währungen jemals gut bekommen, wenn sich Politiker in das Geschäft der Notenbanken einmischten.

Sicher, auch Hollande spricht, wie Angela Merkel im November, von Vertiefung der Europäischen Union, von mehr Integration, von einer Gruppe von Staaten, die vorangehen könnte, hält sich mit dem Thema aber nicht übermäßig lange auf.

Das "andere" Europa, von dem er spricht, ist vielmehr eines, das sich vor allem wirtschaftspolitisch ändern soll. Die Staaten in Hollandes Europa sollen das Wachstum durch neue Einnahmequellen ankurbeln; wer Schulden hat, soll sie abbauen, aber nur, soweit es die Konjunkturlage erlaubt; und die Unabhängigkeit der Notenbank ist ihm allenfalls auf dem Papier der Rede wert.

Dabei hat Hollande in den vergangenen Monaten einiges angestoßen, was in eine andere Richtung zielt. Er hat ein Wettbewerbspaket für die Unternehmen schnüren lassen; er hat die Soziapartner zu einem gelungenen Dialog eingeladen; er verspricht Schuldenabbau. Aber wie ernst ihm all das ist, mag man bezweifeln an einem Tag wie diesem, an dem er den Reformdruck lindert, indem er die Nachbarn zu mehr Binnennachfrage aufruft, den Eurokurs senken will, auf dass sich französische Produkte besser vermarkten lassen. Die Ineffizienzen der französischen Wirtschaft würden damit allenfalls übertüncht.

Von einem Präsidenten, der viele Monate zum Thema Europa geschwiegen hat, der auf die weitreichenden Vorschläge zur Zukunft des Kontinents - nicht nur aus Deutschland - öffentlich nicht eingegangen ist, durfte man heute mehr erwarten. Hollandes Formel von der "Solidarischen Integration" mag geeignet sein, den europapolitischen Graben im eigenen Land zuzudecken. Die Arbeiten an der künftigen Konstruktion Europas bringt sie nicht wirklich voran.

Denn nicht zuletzt aus Deutschland wird Gegenwind wehen. Noch mehr südländisches Flair in der Geldpolitik wird mit Berlin nicht zu machen sein. Hoffentlich nicht! Denn viele der ursprünglichen Regeln der Währungsunion sind bereits zur Unkenntlichkeit verwässert worden. So manche Führungskraft der Bundesbank hat aus Ärger darüber bereits ihren Abschied genommen.

Angela Merkel hat in ihrer Europa-Grundsatzrede von gemeinsamer Finanzmarkt-, Fiskal- und

Wirtschaftspolitik gesprochen. Wie weit Europa davon entfernt ist, hätte François Hollande heute nicht deutlicher sagen können.

Viel Ablehnung für Hollandes Wechselkurs-Vorstoß

06.02.2013 · Erst warnten Entscheider in Europa vor einem „Währungskrieg“, dann forderte Frankreichs Präsident Hollande eine aktive Wechselkurssteuerung. **Jetzt wehren sich deutsche Ökonomen. Und warnen davor, an weiteren Grundfesten der Währungsunion zu rütteln.**

Von [Philip Plickert](#), [Philipp Krohn](#) und [Christian Schubert](#)



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Unter deutschen Ökonomen herrscht nur wenig Begeisterung über Hollandes Wechselkurs-Vorstoß.

Der [Vorstoß des französischen Präsidenten zu einer Wechselkurssteuerung](#) ist in Deutschland überwiegend auf Ablehnung gestoßen. Die meisten von der F.A.Z. befragten deutschen Volkswirte äußerten sich äußerst skeptisch. **„Der Vorschlag entspringt typisch merkantilistischem Denken französischer Provenienz“**, sagte Wirtschaftsweise Lars Feld. Hollande hatte die [Aufwertung des Euro](#) beklagt, weil sie Exporte erschwert und die Reformen für mehr Wettbewerbsfähigkeit konterkariere. **Die Europäische Zentralbank sollte sich davor hüten, dem Ansinnen Hollandes zu folgen, sagte das deutsche Sachverständigenratsmitglied.** „Ein Wechselkursziel kann in Konflikt mit ihrem Mandat der Sicherung der Preisstabilität geraten“, warnte Feld. Außerdem gebe es bei einer einseitigen Fixierung von Wechselkursen die **Gefahr von Währungskonflikten**. Beobachter warnen schon seit längerem vor einem möglichen [„Währungskrieg“, der in einem Abwertungswettlauf enden könnte.](#)

Michael Kemmer, der Hauptgeschäftsführer des Bankenverbandes, warnte ebenfalls vor einer Wechselkurs-Politik für die Eurozone, die darauf zielt, Exporte und Wettbewerbsfähigkeit zu steigern: **„Die Wettbewerbsfähigkeit einzelner Euro-Staaten oder des gesamten Euro-Raums lässt sich nicht mit einem politisch gesteuerten Wechselkurs sichern. Für die ehrgeizigen und - zugegebenermaßen - auch sehr mühsamen Strukturreformen in Europa gibt es keine billigen Ausflüchte“**, sagte Kemmer. Eine aktiv gesteuerte Wechselkurspolitik würde zudem ein enormes Konfliktfeld mit der Europäischen Zentralbank (EZB) und deren Ziel der Preisniveaustabilität eröffnen. **Damit würde „an weiteren Grundfesten der Währungsunion gerüttelt“.**

Abfuhr auch vom neuen DIW-Präsidenten

Eine harte Abfuhr erteilte auch Marcel Fratzscher, der neue Präsident des Deutschen Instituts für Wirtschaftsforschung (DIW), dem Vorstoß aus Paris: **„Die Forderung nach einer aktiven Wechselkurspolitik für den Euro ist gefährlich und falsch“**, sagte er der F.A.Z.. **„Sie ist gefährlich, weil eine solche Politik zu Verzerrungen in der Realwirtschaft und auf Finanzmärkten führt, und zumeist politisch motiviert ist. Die Erfahrung vieler Länder mit einer solchen Politik ist, dass sie hohe finanzielle Kosten für den Staat und den Steuerzahler verursacht“**, sagte Fratzscher, der bis vor kurzem in der EZB arbeitete.

Lediglich der Wirtschaftsweise **Peter Bofinger** nannte es „grundsätzlich richtig, sich über eine neue Wechselkursordnung Gedanken zu machen“. Die Wechselkurse spiegelten zu oft nicht die fundamentalen Daten wieder. Der Duisburger Makroökonom Ansgar Belke fragte hingegen **sarkastisch**, ob eine aktive Politik zur Schwächung des Euro nicht mehr nötig sei, da die „Tendenz ohnehin in Richtung einer Liberalisierung gehe“. „Eine Schwächung des Euro zu Gunsten der Handelspartner würde eine noch **expansivere Geldpolitik der EZB als bisher erfordern**“, sagte Belke.

Kein Kommentar von der EZB

Die EZB selbst wollte keinen direkten Kommentar zu Hollandes Rede vor dem EU-Parlament geben. Das finnische EZB-Ratsmitglied Erkki Liikanen sagte allerdings schon am Dienstag, die Zentralbank habe kein Wechselkursziel für den Euro. **In den vergangenen drei Monaten hat die Gemeinschaftswährung gegenüber dem Dollar um 5 Prozent, gegenüber dem britischen Pfund um 7 Prozent und gegenüber dem japanischen Yen um 18 Prozent aufgewertet.** Japan versucht, seine zuvor hoch bewertete Währung gezielt zu schwächen. Dies würde auch Hollande offenbar gerne sehen.

Die Bundesregierung hält von Hollandes Vorstoß offensichtlich wenig. „Es ist die Überzeugung der Bundesregierung, dass er (der Euro) im historischen Vergleich nicht überbewertet ist“, sagte Regierungssprecher Steffen Seibert in Berlin. „Wechselkurspolitik ist auch kein geeignetes Instrument um Wettbewerbsfähigkeit zu steigern“, fügte er hinzu. Die Bundesregierung sei überzeugt, „dass Wechselkurse die ökonomischen Fundamentaldaten widerspiegeln sollten“. Dazu seien flexible Kurse am besten geeignet. In der Gruppe der größten Industrie- und Schwellenländer (G8 und G20) sei es Konsens, dass Märkte die Wechselkurse bestimmen sollen. Bundeskanzlerin Angela Merkel werde mit Hollande sicherlich am Abend beim Fußball-Freundschaftsspiel in Paris darüber sprechen.

In Frankreich gibt es hingegen auch unter Ökonomen eine gewisse Sympathie für eine aktive Politik zur Wechselkursabwertung. Einige stichelten gegen die EZB. „Jeder mogelt mit seiner Währung – außer der Euroraum mit seinen bald 20 Millionen Arbeitslosen, welche die ungewählten Gouverneure der EZB für eine bessere Anpassungsvariable halten als den Euro-Dollar-Wechselkurs“, sagte Edouard Tetreau, Professor an der Managementsschule HEC. Viele französische Ökonomen würden eine Abwertung des Euro begrüßen, machen sich jedoch keine Illusionen über die begrenzten Möglichkeiten, in einem „Währungskrieg“ den Wechselkurs zu beeinflussen.

Weil sich die französischen Ausfuhren auf Waren mittlerer Qualität konzentrieren, wo der Preiswettbewerb besonders heftig sei, stehe Frankreich besonders unter Druck, erläutert Bruno Cavalier, Chefökonom der französischen Bank Oddo. Der ehemalige EADS-Vorstandsvorsitzende **Louis Gallois** stuft einen „akzeptablen“ Euro-Wechselkurs in seiner Industrieanalyse im vergangenen Herbst bei 1,15 bis 1,2 Dollar je Euro ein. **Die Deutsche Bank errechnete kürzlich, dass die französische Wirtschaft bei 1,22 bis 1,24 Dollar je Euro Probleme bekäme, die italienische Wirtschaft schon ab 1,16 Dollar, die deutsche Wirtschaft dagegen erst ab 1,54 bis 1,94 Dollar je Euro. Aktuell steht der Euro-Wechselkurs bei gut 1,35 Dollar.**

Die Pariser Politik meint, man könne nicht untätig bleiben. Karine Berger, ehemalige Chefökonomin des weltgrößten Kreditversicherers Euler Hermes und heutige sozialistische Abgeordnete, fordert eine konzertierte „verbale“ Intervention der Regierungen im Euroraum. „**Wenn der Euro auf 1,40 Dollar steigt, sind unsere Anstrengungen der Reindustrialisierung ruiniert**“, sagt sie. Jean-Michel Six, Europa-Chefökonom von Standard & Poor's, bleibt indes gelassen. „Die Aufwertung verdeutlicht auch die Rückkehr des Vertrauens in den Euroraum“, sagt er.

Quelle: FAZ.net

Eurozone crisis: Hollande stands alone

6 February 2013

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Presseurop

Les Echos, Frankfurter Allgemeine Zeitung



[Les Echos](#), 6 February 2013

"François Hollande is at war against a strong euro," runs the headline in French financial daily *Le Echos* following the French president's speech before the European Parliament regarding the future of Europe. The paper reports that in his speech, Hollande called for an exchange rate policy within the eurozone (so that the strong euro does not harm competitiveness), for greater integration and solidarity as well as for the establishment of a common budget for the eurozone.

This vision of Europe is in sharp contrast with that of [Great Britain, which calls for a Europe à la carte](#) and of Germany, which is supporting the idea of a two-speed Europe that separates the "good" from the "bad" students. But Hollande's "stated strategy of confrontation with Germany in order to sway the course of Europe," remains nonetheless risky, [warns Les Echos](#), adding –

To be heard, one needs allies and to not turn away those that one hopes to convince. [...] Once this week's [Brussels summit on the European budget is over](#), he will, in the name of growth, reopen the debate over the easing of budgetary constraints. Why not? Berlin does not hold the 10 Commandments. But if the plan is to shake Angela Merkel ahead of her meeting with the electorate [in September], it could be risky.

Responding to the French president's comment that national interests overshadow European interests – a statement aimed at the United Kingdom and the less generous countries in the budget talks, such as Germany, German financial daily *Frankfurter Allgemeine Zeitung*, notes that –

Hollande should not act as if some, bound up in heroic altruism, only consider European interests while others are cold-hearted egotists. There has never been a time at which the various governments in power in Paris have not battled for the interests of French agriculture. Everybody in the EU participates in the fight for redistribution. [...] But no one can seriously imagine that the donor nations will rubber-stamp everything the Commission or the Parliament concoct.

Hollande, l'Europe pour tous, mais avec qui ?

Par [Dominique Seux](#) | 06/02 | 07:00 | [14commentaires](#)

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De la belle ouvrage qui cache un certain nombre de questions. [François Hollande](#), pour son premier grand discours sur l'Europe, a su trouver hier les mots pour séduire son auditoire et l'opinion française - c'était sans aucun doute l'objectif. Mais sa stratégie assumée de confrontation avec l'Allemagne pour infléchir le cours de l'Europe reste plus claire dans les objectifs que dans les moyens.

Le président français, pendant deux heures et demie d'un exercice démocratique de haute tenue, a affiché sans complexes ses priorités. « Oui » à la coordination des politiques économiques, « non » à l'austérité « *sans fin* » ; « oui » à un budget européen ambitieux et pas trop raboté, « non » à un euro trop fort ruinant les efforts de compétitivité effectués dans la douleur par les pays les plus fragiles : la majeure partie des parlementaires européens, quelle que soit leur appartenance politique, ont été caressés dans le sens du poil. Les Français encore plus. Ici, la droite et la gauche sont d'accord pour oublier la norme d'un déficit à 3 % du PIB en période de basse conjoncture. En le disant haut et fort en début de semaine, l'ancien ministre des Finances François Baroin a apporté de l'eau au moulin du gouvernement actuel. François Hollande est également assuré de recueillir l'assentiment des Français quand il plaide la cause de « *l'intégration et de la solidarité* » ou des « *coopérations renforcées* ».

Le problème, c'est : et après ? Pour se faire entendre, il est nécessaire d'avoir des alliés et de ne pas braquer ceux que l'on souhaite faire évoluer. Or le discours d'hier était en réalité un réquisitoire anti-Merkel et anti-positions allemandes. Du chiffon rouge des eurobonds à la ferme invitation faite à notre voisin de soutenir sa consommation intérieure en passant par la charge sur le niveau de l'euro, François Hollande a clairement voulu reparler de ce qui fâche. Passé le sommet de Bruxelles prévu cette fin de semaine sur le budget européen, il a décidé de relancer le débat, au nom de la croissance, sur le desserrement des contraintes budgétaires. Pourquoi pas ? Berlin ne détient pas les Tables de la Loi. Mais s'il s'agit d'embarrasser Angela Merkel avant son rendez-vous électoral, le calcul est risqué ; s'il s'agit de rejouer la manoeuvre de l'été 2012, c'est une exagération de ce qui s'est passé alors : la Banque centrale européenne, en prenant brutalement conscience de la réalité du risque italien, a été le principal artisan du sauvetage de l'euro. La coalition Paris-Rome-Madrid contre Berlin a pesé, mais a joué les seconds rôles.

Enfin, ce discours serait plus crédible si la France était exemplaire chez elle, selon la formule vigoureuse et bien sentie du député Alain Lamassoure. Jamais avare de leçons aux autres, Paris commence seulement à faire la preuve de son intention de réformer. Maintenant, on l'attend aux actes.

Rede von Bundeskanzlerin Angela Merkel im Europäischen Parlament

Datum:

07.11.2012

68,105

Ort:

Brüssel

Sehr geehrter Herr Präsident, lieber Martin Schulz,
sehr geehrte Abgeordnete, meine Damen und Herren,

ich freue mich sehr, dass ich heute zu Ihnen sprechen kann. Es ist die erste Gelegenheit seit der deutschen EU-Ratspräsidentschaft 2007, wieder vor Ihnen zu sprechen. Gerne möchte ich die Gelegenheit nutzen, um Ihnen meine Sicht auf die Lage der Union darzustellen – zwar nicht vorrangig auf den mittelfristigen Finanzrahmen; aber darauf können wir sicherlich auch noch in der Diskussion zurückkommen.

In zwei Tagen, am 9. November, jährt sich die Öffnung der Berliner Mauer zum 23. Mal. Der 9. November 1989 war ein wahrhaft glücklicher Augenblick der deutschen und auch der ganzen europäischen Geschichte. Er steht für den Beginn einer Ära der Freiheit, der Einheit und der Demokratie in Deutschland und in ganz Europa.

Wir Deutschen vergessen nie, dass die glückliche Entwicklung unseres Landes von der Geschichte der Europäischen Union nicht zu trennen ist. Wir vergessen nie, dass wir dies auch dem mutigen Freiheitsstreben gerade unserer östlichen Nachbarn zu verdanken haben.

Wir Deutschen wissen um unsere Verantwortung für eine gute Zukunft der Union. In diesem Bewusstsein macht die deutsche Bundesregierung Politik für unser Land und auch für Europa.

Ich möchte heute an ein Grundmotiv, eine Antriebsfeder der europäischen Einigung erinnern: an die Freiheit, die ein Leben in Frieden und Wohlstand erst möglich macht. Die Freiheit in all ihren Ausprägungen – Freiheit des Ausdrucks, der Presse, des Glaubens und der Versammlung – gilt es stets zu verteidigen. Ohne Freiheit gibt es keinen Rechtsstaat. Ohne Freiheit gibt es keine Vielfalt und keine Toleranz. Freiheit ist die Grundlage für das einige und entschlossene Europa.

Gerade in der großen Bewährungsprobe, die Europa heute zu bestehen hat, kann uns die Kraft der Freiheit helfen, Europa gestärkt aus der Krise herauszuführen. Denn die Kraft der Freiheit – das ist meine Überzeugung – verleiht uns auch den Mut zur Veränderung. Es ist genau dieser Mut zur Veränderung, den wir jetzt beweisen müssen, um uns als Union im internationalen Wettbewerb des 21. Jahrhunderts zu behaupten.

Auf meinen Reisen außerhalb der Europäischen Union – zum Beispiel in Asien – habe ich in den letzten Jahren viele dynamische, aufstrebende und ehrgeizige Länder kennengelernt. Dort blickt man gespannt auf uns, die Europäische Union. Ich werde dort aber auch oft skeptisch gefragt: Wird das europäische Experiment der Krise standhalten?

Diese Frage macht deutlich: Die aktuelle schwere Krise dominiert die Wahrnehmung der Europäischen Union – auch in der Außenperspektive. Jetzt ist es an uns, die skeptische Sicht auf Europa wieder zu ändern und im globalen Wettstreit aufzuholen – durch harte Arbeit im Innern.

Aus diesem Grund ist es nicht allein eine große Ehre, dass die Europäische Union in diesem Jahr den Friedensnobelpreis erhält. Vielmehr ist dieser so bedeutende Preis inmitten der schwersten Krise Europas seit Verabschiedung der Römischen Verträge vor 55 Jahren auch ein außerordentlich wertvolles politisches Signal an die Welt, aber auch an die Europäerinnen und Europäer.

Martin Schulz wird den Preis gemeinsam mit den Präsidenten des Europäischen Rates und der Europäischen Kommission in Oslo entgegennehmen. Ich freue mich, dass sich einige meiner Kollegen wie ich entschieden haben, ebenfalls an der Zeremonie teilzunehmen. Wir wollen damit unterstreichen: Die Europäische Union –

das sind wir alle gemeinsam; 500 Millionen Bürgerinnen und Bürger. Wir alle wissen: Wir Europäer – wir sind zu unserem Glück vereint.

Der Friedensnobelpreis mahnt uns, dies niemals zu vergessen, und seien die Herausforderungen auch noch so groß und der Alltag, unsere Arbeit noch so anstrengend. Das Nobelpreiskomitee mahnt uns mit seiner Entscheidung, wieder das in den Mittelpunkt zu rücken, was in der gegenwärtigen Krise wirklich entscheidend ist. Das sind nicht die Schuldenstände, Lohnstückkosten und Wachstumsraten, so wichtig das alles auch ist. Das eigentlich Wichtige ist vielmehr die Erkenntnis, dass unsere gemeinsame Währung weit mehr ist als eine Währung. Sie ist das Symbol für die gelungene friedliche und demokratische Einigung Europas. Sie ist das Symbol für ein Europa der Freiheit, des Wohlstands und des Fortschritts.

Es geht daher gegenwärtig um nichts weniger als darum, das Glück der europäischen Einigung für unsere Kinder zu bewahren und fortzuentwickeln. Deshalb verpflichtet der Nobelpreis uns alle, gemeinsam eine bessere Union zu schaffen – ein Europa der Stabilität und der Stärke.

Martin Schulz hatte Recht, als er in seiner Antrittsrede als neu gewählter Präsident des Europäischen Parlaments sagte: „Entweder verlieren wir alle – oder wir gewinnen alle.“ Unsere gemeinsame Haltung, meine Damen und Herren, kann nur sein: Wir wollen und wir werden gemeinsam gewinnen. Das ist jedenfalls mein Ziel.

Gemeinsam können wir unser europäisches Modell, das wirtschaftlichen Erfolg und soziale Verantwortung verbindet, behaupten. Mehr noch: Gemeinsam können wir es so festigen, dass es stärker denn je wird. Gemeinsam müssen wir uns dafür auf die Kraft der Freiheit besinnen und den Mut zu Veränderungen finden.

Erste Erfolge unserer Bemühungen zur Überwindung der Krise sind sichtbar – sowohl auf der Ebene der Mitgliedstaaten als auch bei der Entwicklung neuer Instrumente der Krisenbewältigung. Doch wir dürfen uns mit dem Erreichten nicht zufriedengeben. Es bleibt noch viel zu tun, um das Vertrauen in die Europäische Union als Ganzes zurückzugewinnen. Deshalb dürfen wir nicht auf halbem Wege stehen bleiben.

Ich möchte Ihnen heute hier versprechen: Deutschland wird alles daransetzen, dass die Europäische Union auch in Zukunft ihr Freiheits- und Wohlstandsversprechen halten kann. Ich bin auch hier, weil ich auf Ihre Unterstützung setze, weil schon wieder die Kräfte zunehmen, die der Meinung sind, wir könnten uns jetzt zurücklehnen und brauchten die Wirtschafts- und Währungsunion eigentlich doch nicht zu erneuern, denn mit den akuten Krisenmaßnahmen sei die Arbeit schon getan.

Ich glaube: Das ist grundfalsch. Anstatt uns zurückzulehnen, müssen wir vielmehr auf allen Ebenen der Union Schritt für Schritt dafür sorgen, dass sich die Stärken Europas wieder entfalten können: die Freiheit, die Dynamik und der Wohlstand, den uns die Europäische Union im Innern bieten kann; die Durchsetzungskraft und Geltung, die uns die Europäische Union nach außen in der Welt verschafft.

Der Präsident der Europäischen Kommission, José Manuel Barroso, hat bei seiner Rede zur Lage der Union am 12. September vor diesem Hause gesagt: „Wir müssen die Wirtschafts- und Währungsunion vollenden.“ In der Tat müssen wir jetzt den richtigen Weg finden, um die Wirtschafts- und Währungsunion dauerhaft zu stabilisieren, indem wir ihre Gründungsfehler beheben. Dabei müssen wir ehrgeizig und anspruchsvoll sein und dürfen auch nicht vor einer Änderung der vertraglichen Grundlagen der Wirtschafts- und Währungsunion zurückschrecken, wenn diese erforderlich ist. Dieser Vertiefungsprozess der Europäischen Union ist unverzichtbar. Dabei sehe ich Sie – das Europäische Parlament – wie auch die Europäische Kommission als Verbündete in diesem Prozess an. Das will ich ausdrücklich sagen.

Es gibt für die aktuelle Krisensituation kein Vorbild. Die Europäische Union ist ein einzigartiges Gebilde. Deshalb müssen wir auch jetzt das tun, wofür Europa zu Recht berühmt ist: Wir müssen erfinderisch sein. Wir müssen eigene, neue Lösungen finden. Alle Mitgliedstaaten müssen Reformen, Strukturanpassungen und harte Konsolidierungsmaßnahmen für mehr Wettbewerbsfähigkeit durchführen, um die Ursachen der Krise wirkungsvoll zu bekämpfen.

Ich weiß, dass dies in einigen von der Krise besonders betroffenen Mitgliedstaaten den Bürgerinnen und Bürgern viel, viel abverlangt. Ich weiß, dass die Menschen dort unter den Maßnahmen leiden. Doch ich kann ihnen in dieser für sie schweren Zeit auch eine gute Nachricht geben: Die Reformen zeigen erste Erfolge. Die Mühe ist nicht umsonst. Sie lohnt sich. In Irland, Portugal und Spanien, aber auch in Griechenland sind die Lohnstückkosten spürbar gesunken. Das ist ein wichtiger Faktor für die Wettbewerbsfähigkeit. Auch die Defizite in den Leistungsbilanzen gehen zurück.

Dem konsequenten Reformkurs der Mitgliedstaaten für mehr Wettbewerbsfähigkeit steht dann auch die Solidarität Europas gegenüber, zum Beispiel durch den neuen dauerhaften Rettungsschirm ESM. Beides gehört zusammen. Beides ist gleichermaßen wichtig.

Nachhaltige Konsolidierung und Wachstum bedingen einander. Beides muss gleichermaßen verfolgt werden. Ich möchte das hier noch einmal sagen, weil wir manchmal die Dinge gegeneinander ausspielen. Wir brauchen aber beides. Wir wollen neues Wachstum. Wir wollen mehr Beschäftigung auf der Grundlage solider Haushalte. Wir haben aber auch eine Verantwortung für zukünftige Generationen, dass ihnen keine Spielräume genommen werden. Wachstum entsteht aus unternehmerischer Tätigkeit. Wachstum ist nichts, was wir politisch definieren können. Vielmehr müssen wir Menschen in Europa haben, die unternehmerisch tätig sind. Unternehmerische Tätigkeit entsteht aus Freiheit und der notwendigen Flexibilität. Hierfür müssen wir in Europa arbeiten.

Aus diesem Grund sieht der Euro-Plus-Pakt Maßnahmen vor, mit denen Wachstum und Beschäftigung in den Mitgliedstaaten gestärkt werden. Wir haben dem Fiskalvertrag daher ausdrücklich einen Pakt für Wachstum und Beschäftigung an die Seite gestellt. Es geht also auf der einen Seite darum, öffentliche Gelder gezielt einzusetzen. Aber weil Geld nicht alles ist, schaffen wir auf der anderen Seite die Voraussetzungen für neues Wachstum vor allem dadurch, dass wir den Binnenmarkt energisch fortentwickeln.

Die gesetzgeberischen Maßnahmen des Paktes müssen jetzt rasch umgesetzt werden. So werden wir Wachstumskräfte freisetzen. Das ist entscheidend für unsere Zukunft. Der Rat fühlt sich dem verpflichtet; und das Parlament, so bin ich überzeugt, ebenso.

Natürlich ist der mittelfristige Finanzrahmen für die Union, den wir auf dem Europäischen Rat in zwei Wochen beschließen wollen, auch eine ganz wesentliche Voraussetzung dafür, dass wir die notwendigen Impulse für Wachstum geben können. Jeder Euro – das muss unser Maßstab sein –, den wir ausgeben, muss einen Mehrwert im Blick auf Wachstum und Beschäftigung schaffen. Es reicht nicht allein, Geld auszugeben, sondern es muss vor allem gut und gezielt angelegt werden.

Dazu müssen wir unsere Politiken national und europäisch auf den Prüfstand stellen, um die Ursachen der Krise wirkungsvoll zu beseitigen. Ebenso wichtig ist es, die Gründungsfehler in der Architektur der Wirtschafts- und Währungsunion kritisch zu analysieren und sie danach auch zu beheben. Ich bin überzeugt: Nur wenn wir beides gleichermaßen tun, werden wir langfristig erfolgreich sein. Nur so können wir ein Europa der Stärke und der Stabilität schaffen.

Mit dem Vertrag von Maastricht wurde 1992, also vor 20 Jahren, die Wirtschafts- und Währungsunion geschaffen. Damals haben diejenigen, die der Währungsunion eine echte wirtschaftliche Union an die Seite stellen wollten, keine ausreichende Unterstützung gefunden. Es wurde eine Währungsunion mit einer voll vergemeinschafteten Geldpolitik geschaffen. Die Wirtschaftsunion hingegen wurde nur schwach ausgestattet. Mit den Folgen dieser Entscheidungen, die sich nach der Einführung des Euro erst versteckt, dann offen gezeigt haben, haben wir heute zu kämpfen.

So haben sich die Unterschiede in der Wettbewerbsfähigkeit der Mitgliedstaaten der Eurozone vergrößert, statt sich zu verringern. Wir brauchen dazu nur zum Beispiel auf die Entwicklung der Lohnstückkosten zu schauen. Jean-Claude Trichet als EZB-Präsident hat uns oft darauf hingewiesen. Aber es wurde zu wenig gehört.

Es war außerdem in einigen Mitgliedstaaten jahrelang möglich, Schuldenberge anzuhäufen, ohne dass dies durch höhere Zinsen oder die im Stabilitäts- und Wachstumspakt eigentlich dafür vorgesehenen Sanktionen bestraft worden wäre.

Das alles macht deutlich: Die Probleme, mit denen wir es heute zu tun haben, haben ihren Ursprung zum Teil weit vor Ausbruch der aktuellen Krise.

Die Probleme liegen natürlich in jedem Mitgliedstaat anders: Es geht um Staatsverschuldung, Bankenkrisen, Verschuldung des Privatsektors, mangelnde Wettbewerbsfähigkeit. Und durch die weltweite Finanz- und Wirtschaftskrise 2008/2009 wurden die Entwicklungen bei uns noch massiv verschärft.

Hätten sich aber alle Mitgliedstaaten an die europäisch vereinbarten Grenzwerte gehalten und durch Reformen dafür gesorgt, dass sich ihre Wettbewerbsfähigkeit erhöht, dann wäre die Wirtschafts- und Währungsunion selbst mit einer schwach ausgeprägten Wirtschaftsunion niemals in eine solche Krise geraten. So aber wurde die Mischung aus hausgemachten Verstößen und Gründungsfehlern für Europa beinahe verhängnisvoll.

Deshalb glaube ich, dass es ganz, ganz wichtig ist, dass wir die Lektion dieser Krise wirklich lernen. Wir müssen Sorge dafür tragen, dass sich eine solche Lage nicht wiederholt. Und wir müssen Sorge dafür tragen, dass Europa gestärkt aus der Krise hervorgeht. Das heißt, wir müssen die Versäumnisse bei der Schaffung der Wirtschafts- und Währungsunion analysieren und ihre Grundlagen erneuern. Darüber hinaus müssen wir national in den Mitgliedstaaten Verlässlichkeit schaffen, indem wir uns endlich an das halten, wozu wir uns verpflichten.

Ein Beispiel dafür, dass wir das nicht immer tun, ist, dass wir als Staats- und Regierungschefs bzw. unsere Vorgänger vereinbart haben, dass jeder Mitgliedstaat der Europäischen Union drei Prozent seines Bruttoinlandsprodukts für Forschung und Entwicklung ausgibt. Es gibt heute Staaten, die 0,7 Prozent ausgeben, und es gibt Staaten, die 3,5 Prozent ausgeben. Es hat sich aber kaum jemand richtig an das gehalten, was wir uns vorgenommen haben.

Deshalb sind für mich für die Zukunft vier Elemente entscheidend.

Erstens. Eine erneuerte Wirtschafts- und Währungsunion braucht mehr gemeinsame Finanzmarktpolitik. Sie baut auf funktionierenden und robusten Finanzmärkten auf. Dafür müssen wir die Rahmenbedingungen der Finanzmärkte genauer definieren, die Finanzmarktregulierung harmonisieren und auch weltweit darauf achten, dass dies für die internationalen Finanzmärkte gelingt. Darüber hinaus müssen wir einen effektiven europäischen Aufsichtsmechanismus für europäische Banken schaffen, um systemischen Risiken für unsere Wirtschaftsordnung besser vorbeugen zu können.

Die jüngsten Beschlüsse des Europäischen Rates haben klar bestätigt, dass Qualität vor Schnelligkeit gehen muss. Es ist sehr wichtig, dass unser Aufsichtsmechanismus wirklich funktioniert. Deshalb müssen die komplexen rechtlichen Fragen sorgfältig geklärt werden. Denn es muss eine Bankenaufsicht werden, die diesen Namen auch verdient.

Zweitens. Eine erneuerte Wirtschafts- und Währungsunion braucht mehr gemeinsame Fiskalpolitik.

Für die Stärkung der Haushaltsdisziplin sind wir mit dem Fiskalvertrag bereits ein großes Stück vorangekommen. Ich freue mich, dass ihn mittlerweile elf der für sein Inkrafttreten erforderlichen zwölf Mitgliedstaaten ratifiziert haben, zuletzt Frankreich und Estland. Ich könnte mir gut vorstellen, noch weiterzugehen, indem wir zum Beispiel der europäischen Ebene echte Durchgriffsrechte gegenüber den nationalen Haushalten gewähren, wo die vereinbarten Grenzwerte des Stabilitäts- und Wachstumspaktes nicht eingehalten werden.

Drittens. Eine erneuerte Wirtschafts- und Währungsunion braucht mehr gemeinsame Wirtschaftspolitik.

Wir sehen es heute ganz deutlich: Es fehlte und es fehlt eine ausreichend verbindliche wirtschaftspolitische Koordinierung. So gibt es keine Möglichkeiten in der Währungsunion, die notwendige Ausrichtung nationalen Handelns auf die Stärkung von Wettbewerbsfähigkeit als Grundlage für dauerhaftes Wachstum und Beschäftigung immer wieder einzufordern und notfalls auch durchzusetzen.

Ich möchte noch einmal daran erinnern: Der damalige Kommissionspräsident Jacques Delors hat in seinem 1989 vorgelegten Bericht zur Errichtung der Wirtschafts- und Währungsunion auf die Bedeutung beider Pfeiler der Wirtschafts- und Währungsunion hingewiesen, weil „eine Währungsunion ohne einen ausreichenden Grad an wirtschaftspolitischer Konvergenz kaum Bestand haben und der Gemeinschaft sogar abträglich sein könnte.“ – So Jacques Delors 1989.

Die Krise hat gezeigt, wie richtig Jacques Delors' Analyse war. Sie hat gezeigt, dass Fehlentwicklungen in einzelnen Mitgliedstaaten tatsächlich die Währungsunion insgesamt – und damit auch uns alle, alle 27 EU-Mitgliedstaaten – ins Wanken bringen können. Dennoch stehen wir bei der zwingend notwendigen Stärkung der wirtschaftspolitischen Koordinierung immer noch am Anfang.

Was also ist zu tun? Wir haben beim Europäischen Rat im Oktober eine erste Diskussion darüber geführt und sind uns einig, dass wir in den Politikfeldern, die für das Funktionieren der Wirtschafts- und Währungsunion von grundlegender Bedeutung sind, in Zukunft noch genauer, noch früher als bislang hinschauen müssen. Denn der Verlust an Wettbewerbsfähigkeit eines einzelnen Mitgliedstaates wird rasch zum Problem für alle.

Eine stärkere wirtschaftspolitische Koordinierung wird unter Umständen auch dort erforderlich sein, wo Kernbereiche nationaler Souveränität betroffen sind. Ich denke zum Beispiel an so sensible Politikbereiche wie die Arbeitsmarktpolitik oder die Steuerpolitik. Natürlich müssen wir hierbei behutsam vorgehen. Das Subsidiaritätsprinzip und nationale demokratische Verfahren müssen respektiert werden. Wir brauchen also Lösungen, die einen sinnvollen Ausgleich zwischen notwendigen neuen Eingriffsrechten der europäischen Ebene und dem zu bewahrenden Gestaltungsspielraum der Mitgliedstaaten und ihrer Parlamente herstellen.

Die europäischen Institutionen müssen gestärkt werden, um Fehlverhalten und Regelverstöße wirksam korrigieren zu können. Wir müssen endlich zu einem echten Austausch zwischen der europäischen und der nationalen Ebene kommen. Ich setze mich für ein neues gestuftes und differenziertes Verfahren ein, in dessen Rahmen die Mitgliedstaaten mit Zustimmung ihrer Parlamente verbindliche und durchsetzbare Reformvereinbarungen mit der europäischen Ebene, also zum Beispiel der Europäischen Kommission, schließen.

Ich kann mir auch vorstellen, konkrete Reformmaßnahmen, die zu mehr Wettbewerbsfähigkeit führen, durch gezielte Anreize aus einem neuen Finanzinstrument der Eurozone solidarisch zu unterstützen. Hierbei geht es um eine Idee für die Zukunft, die natürlich eine tragfähige Rechtsgrundlage braucht und über die wir auf dem EU-Rat im Dezember im Zusammenhang aller Maßnahmen entscheiden werden, die zur Vertiefung der Wirtschafts- und Währungsunion notwendig sind.

Ich setze mich dafür ein, dass wir im Dezember einen ehrgeizigen Fahrplan für eine erneuerte Wirtschafts- und Währungsunion beschließen. Er soll konkrete Maßnahmen enthalten, die wir in den kommenden zwei bis drei Jahren umsetzen wollen.

Meine Damen und Herren, ich will noch einmal sagen: Das Europäische Parlament ist bei allem unser Partner. Es geht weder darum, eine Spaltung der Europäischen Union herbeizuführen, noch geht es darum, irgendetwas gegen das Europäische Parlament oder die Europäische Kommission zu machen. Es geht nur darum, dass wir die notwendigen Interaktionen zwischen den verschiedenen Ebenen so ausgestalten, dass sie auch wirklich im Sinne von Jacques Delors zu mehr wirtschaftspolitischer Kooperation führen können. Ich glaube, dass es uns so gelingen kann, Vertrauen und Glaubwürdigkeit dauerhaft zurückzugewinnen.

Denn – seien wir ehrlich – die europäische Staatsschuldenkrise ist in ihrem Kern auch eine Vertrauenskrise. Das merkt man, wenn man mit Investoren außerhalb Europas spricht. Vertrauen muss ganz sorgsam wieder erarbeitet werden. Eine Erneuerung der Grundlagen der Wirtschafts- und Währungsunion dient dem Wohl der europäischen Bürgerinnen und Bürger, die Sie alle hier in diesem Parlament vertreten. Deshalb setze ich auf Ihre Unterstützung.

Ich habe es eben schon angedeutet: Ich weiß um die Sorge vor einer Spaltung in eine EU der 17 und der 27 bzw. bald 28. Ich glaube, wir können dieser Sorge ganz überzeugend begegnen. Denn erstens ist die Vertiefung der Wirtschafts- und Währungsunion unerlässlich für eine Zukunft der Europäischen Union insgesamt. Und

zweitens wird eine erneuerte Wirtschafts- und Währungsunion auch den Nicht-Euro-Staaten, die es wünschen, immer offenstehen. Es gibt keinen abgeschlossenen Club von Euro-Mitgliedstaaten, sondern wir werden immer einladend sein. Denn die Wirtschafts- und Währungsunion ist ja mit dem Ziel gegründet worden, dass alle an ihr teilhaben sollen.

Ich werde mich jedenfalls dafür einsetzen, dass die vertiefte Wirtschafts- und Währungsunion nicht zu einem Europa der zwei Geschwindigkeiten führt, sondern eine Union der doppelten Kraft wird. Ich bin zudem zutiefst davon überzeugt, dass das Ziel eines Europas der Stabilität und der Stärke nur erreicht werden kann, wenn die Mitgliedstaaten und die Organe der Union gemeinsam daran arbeiten.

Meine Damen und Herren, ich weiß auch um die Sorge vor einer Nationalisierung des Europäischen. Ich bin jedoch davon überzeugt: Wenn wir das, was wir jetzt vor uns haben, gut machen, wenn wir also die Lektion dieser Krise wirklich lernen, dann werden wir das genaue Gegenteil erleben. Dann werden wir eine Europäisierung des Nationalen erleben, und das geradezu im Zeitraffer. Wenn wir diese Chance ergreifen und wenn wir verstehen, dass wir stärker als jede einzelne Nation sind, wenn wir in einer globalisierten Welt als Europa auftreten, dann werden wir erfolgreich sein.

Die nationalen Parlamente werden zunehmend – wie die Regierungen auch – ihre Integrationsverantwortung für die Union wahrnehmen. Der Präsident des Europäischen Rates, Herman Van Rompuy, hat in einer Rede in Brüssel im Februar dieses Jahres die nationalen Parlamente in diesem politischen Sinne bereits als „europäische Institutionen“ bezeichnet. Wir können diesen Gedanken so zusammenfassen: Europa, das sind wir alle gemeinsam – Europa, das ist Innenpolitik. Ein stärkerer Dialog der nationalen Parlamente mit Ihnen, den Abgeordneten des Europäischen Parlaments, würde die nationalen Parlamente auch dabei unterstützen, ihre Aufgabe für eine gute Zukunft der Union noch besser wahrnehmen zu können.

Ich bin überzeugt: Gemeinsam können wir ein Europa der Stabilität und Stärke schaffen. Und dafür brauchen wir mehr demokratische Legitimation und Kontrolle. Für mich ist entscheidend, dass Legitimation und Kontrolle jeweils auf der Ebene angesiedelt werden, auf der die Beschlüsse gefasst und umgesetzt werden. Das heißt, wird eine Zuständigkeit der europäischen Ebene gestärkt, dann muss auch die Rolle des Europäischen Parlaments gestärkt werden. Wenn nationale Zuständigkeiten betroffen sind, dann müssen natürlich die nationalen Parlamente eine entscheidende Rolle spielen.

Wir sollten auch offen darüber diskutieren, wie auf europäischer Ebene Entscheidungen, die nur die Eurozone betreffen, in Zukunft zu legitimieren sind. Es ist zum Beispiel darüber nachzudenken, ob dann nur Parlamentarier aus den Euro-Staaten abstimmen. Es ist aber nicht etwa darüber nachzudenken – was ja manchmal vermutet wurde –, ob wir noch eine zusätzliche parlamentarische Institution gründen. Das Europäische Parlament ist die Basis.

Stärkere demokratische Legitimation und Kontrolle – dieses Prinzip müssen wir bei allen Maßnahmen zur Vertiefung der Wirtschafts- und Währungsunion beachten. Es bildet das Herzstück einer erneuerten Union. Als Regierungschefin eines Landes sage ich ganz ausdrücklich: Nur durch Legitimierung durch die Parlamente wird es eine demokratische Legitimierung geben.

Herr Präsident, meine Damen und Herren, da ich heute wieder im Europäischen Parlament spreche, erinnere ich mich natürlich auch an 2007, das Jahr der deutschen Ratspräsidentschaft. Wir haben uns damals anlässlich des 50. Jahrestages der Unterzeichnung der Römischen Verträge unserer Grundüberzeugungen in der „Berliner Erklärung“ versichert. Der damalige Präsident des Europäischen Parlaments, Hans-Gert Pöttering, hat das Dokument für dieses Hohe Haus unterzeichnet. Die Unterzeichnung am 25. März 2007 kann im Rückblick als Durchbruch in den schwierigen Verhandlungen bezeichnet werden, die letztendlich zum Vertrag von Lissabon geführt haben.

Damals ging es um die Vertiefung der Europäischen Union als Ganzes. Heute geht es darum, die Wirtschafts- und Währungsunion zu vertiefen, um die Europäische Union zu neuer Stabilität und Stärke zu führen. In der „Berliner Erklärung“ haben wir 2007 gesagt: „Unsere Geschichte mahnt uns, dieses Glück für künftige Generationen zu schützen. Dafür müssen wir die politische Gestalt Europas immer wieder zeitgemäß erneuern.“

Ich bin überzeugt: Nur wenn wir die politische Gestalt der Wirtschafts- und Währungsunion zeitgemäß erneuern, werden wir unserer Verantwortung gerecht.

Ich habe zu Beginn meiner Rede die Frage wiedergegeben, die mir manchmal außerhalb Europas gestellt wird: Wird das europäische Experiment der Krise standhalten? Ich verrate Ihnen auch, was ich darauf antworte. Ich kenne mich als Physikerin mit Experimenten aus und darf deshalb sagen: Die europäische Einigung hat das Stadium eines Experiments längst verlassen – wenn man sie überhaupt jemals als solches bezeichnen durfte. Jedenfalls ist sie als Union – um im Bilde zu bleiben – längst in einen stabilen Aggregatzustand eingetreten. Selbst wenn wir einzelne Parameter unseres Modells nachjustieren müssen, wird es standhaft, stabil und stark bleiben.

Um es nun als Politikerin zu sagen: Ja, wir werden die Erfolgsgeschichte der Europäischen Union fortschreiben. Deutschland wird seinen Beitrag dazu leisten. Die Europäische Union wird erfolgreich sein, weil die Kraft der Freiheit uns Europäerinnen und Europäern Mut und Phantasie verleiht. Wir wissen: Einig und entschlossen sind wir stärker. Einig und entschlossen können wir unser europäisches Gesellschafts- und Wirtschaftsmodell in der globalisierten Welt verteidigen. Einig und entschlossen können wir als Friedens-, Freiheits- und Wohlstandsunion auch Modell für andere Weltregionen sein. Dies – und nicht weniger – sollte unser gemeinsamer Anspruch sein.

Ich glaube an unsere gemeinsame europäische Zukunft. – Zu unserem Glück vereint. Unis pour le meilleur. United for the better.

François Hollande outlines EU budget stance and Mali operation 68,112



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EU/budget/European elections – Mali – Speech by M.François Hollande, President of the Republic, to the European Parliament

Strasbourg, 5 February 2013

Mr President of the European Parliament, cher Martin Schulz,

Mr President of the European Commission,

Deputies,

Thank you for the honour you do me by allowing me to address the European Parliament here in Strasbourg. France respects the role and the place of your assembly in all the European institutions.

I address you as the representative of a nation which has linked its destiny to that of Europe and which still bears a special responsibility today. I address you as a political leader whose belief in Europe has guided his commitment. I address you as a head of state who has made the reorientation of Europe central to his action and who has dedicated himself to this task for nine months. I address you as the president of a republic that has, for 200 years, pledged to ensure that each new generation has a better life than the previous one.

EU/achievements and failures

Europe is a wonderful idea, a great adventure, an extraordinary political enterprise; it has succeeded in making history without breaking up nations, it has created a model that is admired on all continents, it has established peace, human rights and democracy, and this has been recognized – and rightly so – by the Nobel prize.

But for too long Europe has doubted itself, hesitated over its decisions; it has sometimes rushed ahead blindly and sometimes stood still; it takes too long to make major decisions, decisions that are expected, hoped for; and it spends too little time reflecting on its direction and its overall architecture. Europe prides itself on being a major market, but it fails to defend it in the face of unfair competition. It allows its currency, the euro, to be vulnerable to irrational trends in one direction or another. Lastly, Europe is a continent where growth is too

weak, where mass unemployment reflects the depth of the crisis, which is not, as has been said, a short-term transition but a major transformation.

Euro Area crisis/responses

It may be true that the Euro Area crisis is largely behind us, but we're a long way from having learnt all the lessons, and the threat we're now facing is no longer market distrust but the people's mistrust, and we all know – following a series of statements – that national interests are taking precedence over Europe's interests.

So the issue that the heads of state and government, like the European Commission, like the European Parliament, must resolve is as follows: it's not a short-term issue, it's about our own future. What can we do to regain support, to revive enthusiasm for Europe, and first of all, how can we respond to the challenge of financial stability and economic growth?

I would like to pay tribute to the efforts and the progress made in this area for several months now.

Europe has been able to implement the measures necessary to ensure budgetary discipline, and I want to pay tribute to the European Parliament, which made a significant contribution through the "six pack" and the "two pack". The states themselves have ratified the Fiscal Compact and France – under my leadership – has taken responsibility for it. At the same time, the European Council also adopted in June a Growth Compact that is in line with the views of the European Parliament; this Europe, which was considered too slow, was also able to establish instruments for stability and solidarity, notably the European Stability Mechanism. Lastly, the European Central Bank redefined its activities by clearly announcing its plans to address speculative trading, and so calm was restored to the markets, and the interest rates on certain sovereign debts could be brought down. We also allowed Greece to remain in the Euro Area, when some had already announced – too soon – her departure. Lastly, the principles of a banking union were defined in order to prevent the excesses of a financial system, and this will be a considerable challenge, involving banking supervision, a resolution mechanism, and deposit guarantees so that savers are better protected.

Europe has been able to make progress, but at the same time this cannot be the end of it, since in my view there can be no respite while 25 million Europeans remain unemployed. There can be no respite while in certain EU countries one out of every two young people is looking for work. There can be no respite while millions of people still face job insecurity. There can be no respite until an energy transition has been defined that will allow us to move from one world to another.

We must respond to the challenge of growth and employment. This will certainly, inevitably, involve reducing the debt and improving competitiveness, but I want to say here that however necessary this policy may be, it must be adapted to national circumstances, and applied judiciously over the long term, otherwise we will condemn Europe to endless austerity, and I refuse to do that.

France has herself made commitments and will honour them, but at the same time we must collectively and continuously adjust our goals according to the realities of the situation.

Economic coordination/EMU

The next stage we have to begin is the coordination of national economic policies; we need to reduce the imbalances. There are countries with surpluses, with high levels of competitiveness, others with deficits, which have efforts to make. The countries in the former situation must boost domestic demand to allow the others, at some point, to see economic activity return.

Similarly, we must think about the place in the world of our currency, the euro; it can't fluctuate depending on the market's moods. A monetary area must have a foreign exchange policy, otherwise it will see an exchange rate imposed on it which doesn't reflect the real state of its economy. It isn't a matter, in this speech, of assigning from outside an objective for the European Central Bank, which is independent, but of setting in train the essential reform of the international monetary system. Otherwise we're asking countries to make efforts on competitiveness which are annihilated by the euro's rise in value.

The time has come to launch the major project of deepening Economic and Monetary Union; France is ready for this. It has two principles: integration and solidarity. Integration means defining shared objectives, harmonizing fiscal policies, bringing in structural reforms to make our economies stronger, as well as common policies on infrastructure and research. Integration means us having new financial instruments in order to launch innovative projects in the areas of new technologies, renewable energies, and energy and ecological transition. And since we're for integration, we are for solidarity, since you can't have one without the other.

Solidarity/budget

Solidarity isn't just a matter of transfers between European nations: solidarity means having a social ambition, guaranteeing all young Europeans a job or training at the end of their studies, by strengthening exchanges between member states. Solidarity means fighting unemployment, particularly in the hardest-hit areas; that's the objective in particular of the Globalization Adjustment Fund. Solidarity involves job transitions, supporting employees throughout their working lives, enabling them to keep their entitlements to retirement, unemployment insurance, and social security when they change job or profession and at times even country. Solidarity is moving towards the minimum wage. Solidarity also means financial instruments, through new resources, through the financial transaction tax, through everything that can enable us to imagine the future together.

From this viewpoint, the European Parliament has paved the way. You've gone beyond political sensitivities and floated the idea of common borrowing; I daren't say Eurobonds, but you've imagined what the very terms "integration" and "solidarity" could be. And the discussion on the European Financial Framework must be put in this context, and I want to open up and be direct with you. We're experiencing all the difficulties of this negotiation: some want cuts, others – sometimes the same people – want guarantees about their rebates or reductions. Most of the countries have an interest in this or that part of the European budget but not in another, so my position can be put simply – yes to making savings, no to weakening the economy – and therefore our position, France's position, boils down to four principles:

Common policies

The first principle is a level of spending that maintains the common policies: firstly the Cohesion Policy, which finances the essential investments, not only for the beneficiary countries but for the whole of Europe, which benefits from it in terms of growth. The [other] common policy is the [Common] Agricultural Policy, which enables us to strengthen a food industry invaluable for the European Union but which must also respect the environment, and this is why direct aid and rural development are complementary. But I don't pit the two policies against each other, as it's easy to do – Cohesion Policy against Agricultural Policy. We must keep the foundation of European policies; otherwise, how can we build?

Growth Compact

My second principle is that the budget, the Financial Framework that must be proposed, must build on the Growth Compact adopted last June, and this means increasing the resources envisaged for innovation, infrastructure and new energies, because where would the coherence be in defining a Growth Compact in June and then creating a deflation compact through the European Financial Framework?

Supporting vulnerable Europeans

My third principle is that the budget must support the most vulnerable Europeans and those most exposed to the crisis. Hence the challenge of the Fund for European Aid to the Most Deprived, which must be not only maintained but properly resourced; of the Globalization Adjustment Fund, necessary if we want to face up to the restructuring that many countries are undergoing; of the European Social Fund's place in regional programmes; and finally, the challenge of youth employment, which must become a real European programme with genuine priority for the choices we have to make.

Rebates/own resources

Finally, the last principle I'll uphold in the forthcoming negotiation is a system of resources that is fairer and more transparent. In the immediate term the sum of rebates and reductions must stop rising, but in future genuine own resources will be essential, otherwise the European enterprise itself will be called into question.

This is France's position; I'm not sure it's far removed from the European Parliament's aspirations. A compromise is possible, but it must be reasonable, and those who want to cut back the European budget beyond what is acceptable must be made to see reason. Because I say here that there'd be no point in negotiating an agreement between heads of state and government if it were not followed by a matching vote by your assembly. Everyone must properly understand how the Community institutions work, and so you MEPs and we heads of state and government must, along with the Commission, show clear-sightedness and responsibility.

That's France's position in these negotiations, which must provide Europe with a framework for action over seven years and show that we heads of state and government and MEPs are capable of taking decisions together. Our credibility – not just our financial but our political credibility – is at stake.

Conception of Europe

Beyond these budget choices it's a conception of Europe which is being debated, and I'm going to tell you mine. Europe can't make do with being a market, a budget, a currency – invaluable though these instruments are. Nor can it be just a collection of treaties, a set of rules – necessary – for living together. Nor can Europe be simply a sum of nations, with each one coming to get from the EU what's useful for it, and it alone. Europe – because this is its history, this is its destiny – is above all a political will, in other words a commitment whereby everyone accepts the balance of rights and obligations, rules are respected and confidence creates solidarity – in other words, a project for which we can't endlessly be discussing rights we're entitled to and calling everything into question at every stage.

"Differentiated" Europe

On the other hand, I believe it legitimate to work on a new EU architecture. I'm pressing the case for a differentiated Europe – to use Jacques Delors' expression; it wouldn't be a two-speed Europe, which incidentally would quickly become an unequal Europe or a divided Europe; it isn't an à la carte Europe either. No, a differentiated Europe is a Europe in which states – not always the same ones – decide to forge ahead, embark on new projects, release funding and harmonize their policies, beyond the substantial core – which must remain – of common powers.

But there's nothing new in what I'm saying to you. It's this approach which allowed us to make borders a thing of the past with Schengen, create a single currency with the euro and introduce the financial transaction tax. This approach is a path to enhanced forms of cooperation, one open to everyone, everyone who wants to take part in them, and one day able to bring us together around these principles. In this Europe, the European Parliament will have a major role to play, because through its control it will ensure overall coherence.

Transparency/integration

I also want to make Europe more transparent, I've argued in favour of budget, fiscal and social integration – this has happened. It calls for a political union that's stronger – otherwise it is hemiplegic –, which means a Euro Area government and new financial instruments for taking action, and a budget – under certain conditions – for the Euro Area coordinated with the European Union budget. All this being controlled by the European Parliament and the national parliaments.

I would like next year's European elections to provide an opportunity for a major debate on Europe's future, which will allow us to determine the policies we'll – no doubt – have to conduct and above all, the architecture we'll have to propose. Without forgetting the candidates for the essential posts of our EU, so that there's a great collective deliberation in Europe and that we emerge with stronger legitimacy. Because Europe must have the institutions which will allow it to influence the world's destiny.

Europe is a continent of peace and democracy which seeks nothing for itself but brings to the rest of the world its heritage, its values and its principles. And so Europe must play its part in fighting for democracy and human dignity.

Mali

That's why I decided on behalf of France to intervene in Mali. I took this decision in the framework of international law. There was no time to lose, or more specifically, if we had taken our time, the whole of Mali would have been conquered by terrorists. I made this choice on behalf of France because it was our responsibility. We were in the region. We could immediately provide the aid the Malian President needed from us. I also took this decision on behalf of Europe, and on behalf of the international community.

I want to thank the European Parliament for its support and understanding at this unique moment, in which a European country stood up for an African country. Not to reopen the wounds of the past, but rather to bring dignity to a nation that had helped my own country free itself from servitude during World War II.

I assure you, here, that Mali will regain her territorial integrity; the time is near. Then it will be time for a political effort, for dialogue, reconciliation and stability in that country and in that part of West Africa; a time for development. That will be the moment for African organizations to come forward. They stand ready; they are already on the ground. It must also be a moment for Europe, because we must work not only for peace but for the security of that part of Africa.

The Malian army and Afisma [African-led International Support Mission to Mali] forces must be trained and equipped so that they can provide security on the ground, prevent atrocities and the settling of accounts, foster a political transition, and restore democracy and the electoral process.

There are expectations of Europe, for these reasons, and Europe is also expected to participate in the Sahel's development, learning from the policies that previously tried and failed to prevent the collapse of these countries' economies and, in particular, the development of trafficking. I want to highlight the fact that the fight against drug trafficking is key if we want to fight terrorism, because terrorism is fuelled by drug trafficking throughout the world, and particularly in West Africa.

EU foreign policy/climate change

In this worldwide redistribution of power, we must leave no doubt of Europe's determination to support these values. But, here too, we must accept the consequences, with the clear-sightedness that is essential for developing a strategy to conduct a genuine common foreign policy, to have a European defence. France stands ready. Here too, it is time to end piecemeal initiatives and pool our forces and resources, to bring our industries closer together and also harmonize our positions in international bodies in which Europe must speak with one voice and act to resolve the conflicts that offend human consciences.

I am thinking of Syria. Of Iran, and preventing nuclear proliferation. Of the need to influence negotiations between Israelis and Palestinians, because the time has come there too, and Europe must not wait for the United States, but should already be hastening the resumption of talks.

Europe must also do its part on climate change. France welcomes the opportunity to host the 2015 Climate Conference, but we will not succeed alone. Here too, Europe must set an example on renewable energies and energy efficiency.

European project

I believe in Europe, because I think it is useful, not just for the Europeans but for the whole world, and the best way for Europe to protect its interests is to champion its model and its values at global level. We must get back to the very meaning of the European project, a project founded on values and on the free movement of people, knowledge, ideas, creations, culture and creativity. It is by continually recalling this ambition that we will be worthy of our history and, most important, of the hopes of new generations.

People expect a Europe of knowledge, a Europe of universities, research, culture. We Europeans have a culture that transcends our continent. We shouldn't consider it a legacy to protect, but rather a movement to promote. That's the point of the cultural exception – the idea that intellectual creations are not merchandise like other works, the conviction that our nations' cultural identity is essential, and that pluralism and freedom must be defended at global level.

Once again, here before this assembly, I – like others before me – call for a cultural dimension to the European enterprise. That means guaranteeing intellectual property and copyright; defining as a group the economic and fiscal rules ensuring that artists are paid more than those who circulate their work, i.e. access providers; ensuring that we have a digital Europe in which technologies serve civilization.

Ladies and gentlemen, François Mitterrand stood before the European Parliament 18 years ago – 18 years! – and asked those who were listening to do everything in their power to make sure Europeans loved Europe. Eighteen years later, let's admit that we are far from having accomplished that task, and the risk is no longer indifference but detachment, if not a breakup.

It is our responsibility, and as heads of state and government, the European Commission and the European Parliament, we must confront it head-on.

Let me say quite clearly: either the wake-up call will be collective or it won't happen, but time is short.

We can end this difficult period by embarking on a new path. Europe has been able to overcome much graver trials than those of a crisis, but we must outline a new ambition. And this new ambition must not lessen our previous one. It's an illusion to think we should abandon the project we've been working on for years in order to build new hope. On the contrary, the things that remain to be done must be based on everything we've already achieved. And I know that any European advance must correspond to a new stage of democracy.

Ladies and gentlemen, it is you who are going to decide to take this new step, to accomplish the European project and advance democracy.

Thank you./.

Published on 07.02.2013

Mario Draghi Is Not Happy About the Strong Euro

By [Peter Coy](#) on February 07, 2013



Photograph by Daniel Roland/AFP via Getty Images

Mario Draghi, President of the European Central Bank (ECB), addresses the media during a press conference following the meeting of the Governing Council in Frankfurt, Germany on February 7, 2013

For a modern central bank, targeting the value of your currency is considered gauche. Even so, European Central Bank President Mario Draghi [let it be known](#) at a press conference today that he finds the euro uncomfortably strong, which immediately knocked about one cent off the euro's value against the dollar.

According to central banking etiquette, it's OK to adopt monetary policies for the good of your domestic economy, even if they happen to affect the foreign exchange value of your currency. What's not so cool is driving down your currency's value for the sole purpose of gaining a competitive edge against trading partners. That's "beggar thy neighbor."

Draghi today was careful to say that "the exchange rate is not a policy target," then added that it is also "important for growth and price stability."

In other words, if the euro gets too strong, it will hurt economic growth in the 17-nation euro zone and increase the risk of too-low inflation or even deflation. Those are legitimate concerns. And Draghi's remarks come against a background of international agitation about a possible currency war, with Japan most often fingered as the instigator, as *Bloomberg Businessweek* [reported recently](#).

The euro was close to \$1.36 before the press conference. It dropped to a little over \$1.34. That's still a high level for an economic zone battered by slow growth, high unemployment, and a simmering debt crisis.

Draghi, by subtly talking down the euro, is trying to combat [the side effects of his own success](#). Last summer the euro dipped below \$1.21 as the world worried that the euro zone debt crisis was spiraling out of control. Draghi vowed to save the currency "whatever it takes." That calmed the crisis. It also made the euro's value rise, harming Europe's competitiveness. Or, in Italian, it led to *conseguenze indesiderate*—unintended consequences.

Draghi Plays Down Euro Rise

European Central Bank President Mario Draghi helped the euro to reverse some of its recent gains with slightly more dovish comments at his monthly press conference. Dow Jones's Katie Martin looks at how the central banker walked a fine line in the debate over whether the single currency is too strong.

European Central Bank President [Mario Draghi](#) said on Thursday that the rise in the euro may damp inflation pressures in the currency bloc, but gave no indication that it had materially harmed the outlook for growth, as some politicians have complained.

At the start of his monthly news conference, Mr. Draghi introduced the "recent appreciation of the exchange rate" as one of the factors depressing inflation, but he reiterated the bank's outlook for growth this year without any reference to it.

"The appreciation is a sign of return of confidence in the euro," Mr. Draghi said in response to journalists' questions.

That insouciance contrasts sharply with some of the comments from euro-zone politicians in recent weeks, notably from French President François Hollande.

Global Rates

Rate changes since 2004 in dozens of countries.

The remarks had an immediate impact on foreign-exchange markets, driving the euro down by around a cent against the dollar to \$1.3463.

Mr. Draghi also took time to play down the recent rise in money market rates that has followed the partial repayment of funds from the ECB's first three-year refinancing operation. He noted that banks' decisions to repay funds early were their own decision, and stressed repeatedly that the ECB's own policy remains "accommodative," and that the ECB is still willing to provide any extra liquidity if needed by the banking system.

He said the ECB will "closely monitor" developments in the money market in the meantime. Those comments pushed up the price of futures contracts on short-term interest rates, reflecting a modest downward revision of future euro rates.

Mr. Draghi also deflected criticism of his conduct as Italy's bank supervisor-in-chief in the light of the scandal unfolding around [Banca Monte dei Paschi di Siena](#) SpA, [BMPS.MI +4.09%](#) arguing that supervisors can do little if bank managers are actively falsifying their financial accounts.

The current management of MPS has admitted that its predecessors concealed crucial information regarding the structure of its balance sheet, while negotiating an emergency loan from the Bank of Italy.

"If you have a fraud, supervisors normally don't have police powers or judicial powers," he said.

The rest of Mr. Draghi's opening remarks were hardly changed from the previous month's news conference, except inasmuch as the bank now expects inflation to fall below the crucial 2% rate "in the coming months" rather than "in the course of 2013." That follows a sharper-than-expected drop in consumer inflation to only 2.0% in January.

Mr. Draghi repeated that an economic recovery in the euro zone will only come "later in 2013."

The ECB's governing council had earlier left its official interest rates unchanged for the seventh straight month.

„Ein Zeichen für die Rückkehr des Vertrauens“

07.02.2013 · Europas Währungshüter lassen sich nicht von Sorgen um die Aufwertung des Euro beirren. Die Zinsen bleiben auf Rekordtief - trotz der Rezession im Euroraum. Die Notenbank sieht zunehmend Zeichen der Entspannung an den Märkten.

Europas Währungshüter lassen sich auch durch wachsenden politischen Druck nicht von ihrem Kurs abbringen. Anders als etwa die französische Regierung macht sich die Europäische Zentralbank (EZB) vorerst keine Sorgen wegen der jüngsten Aufwertung des Euro. „Die Aufwertung ist ein Zeichen der Rückkehr des Vertrauens in den Euro“, sagte EZB-Präsident Mario Draghi am Donnerstag in Frankfurt. Langfristig bewege sich der Euro in der Nähe seines Durchschnittswerts. Seit Sommer 2012 hat der Euro zu vielen Währungen deutlich aufgewertet, insbesondere zum japanischen Yen, zum US-Dollar und zum britischen Pfund - auch infolge einer sehr lockeren Geldpolitik in Japan und den Vereinigten Staaten.

Waren aus dem Euroraum werden in der Folge im außereuropäischen Ausland tendenziell teurer, das könnte die konjunkturelle Erholung im Euroraum gefährden. [Frankreichs Staatspräsident François Hollande hatte sich deshalb für eine aktive Wechselkurspolitik geworben](#). Die Forderung nach einem politisch gesteuerten Wechselkurs stößt vor allem in Deutschland auf Ablehnung. Draghi betonte, Wechselkurse seien kein Ziel der Notenbank. Die aktuellen Kurse bewegten sich in der Nähe der langfristigen Durchschnittswerte. Die Wahrung der Unabhängigkeit der Notenbank sei essenziell für ihre Glaubwürdigkeit.

Den Leitzins im Euroraum hält die EZB wie erwartet auf dem Rekordtief von 0,75 Prozent. Zwar steckt der Euroraum in der Rezession, die Währungshüter erwarten jedoch, dass sich die Konjunktur im Laufe des Jahres allmählich wieder erholen wird. „Die Stimmung an den Finanzmärkten hat sich verbessert“, bekräftigte Draghi. Jüngste Umfragen bestätigten, dass sich das Vertrauen bei Unternehmen und Verbrauchern stabilisiere. Als positiv hob Draghi auch die vorzeitige Tilgung eines Teil der langfristigen EZB-Notkredite hervor.

Bisher zahlten Geschäftsbanken gut 140 Milliarden Euro des ersten EZB-Langfristkredits von Ende 2011 zurück. Er hatte ein Volumen von rund 490 Milliarden Euro und bis zu drei Jahre Laufzeit. Weil das Vertrauen in die Gemeinschaftswährung deutlich gestiegen ist, fließt zudem wieder Kapital in den Euroraum zurück. Allerdings kommen die Verbesserungen nur schleppend bei Unternehmen an. Johannes Mayr von der BayernLB erwartet jedoch, dass im Zuge der Entspannung an den Finanzmärkten allmählich auch die Bedingungen für die Finanzierung von Unternehmen in den Krisenländern günstiger werden.

Der Leitzins der EZB bleibt bei 0,75 Prozent

Angesichts der Entspannung an den Finanzmärkten sehen einige Ökonomen die EZB bereits vor dem Rückzug aus der ultralockeren Geldpolitik. Die Berenberg Bank prognostiziert, dass die Euro-Wirtschaft rasch in Schwung kommen und die Zinsen noch vor Ende des Jahres 2013 wieder angehoben werden. Andere Volkswirte rechnen hingegen nach wie vor mit einer weiteren Zinssenkung.

Im Kampf gegen die Schuldenkrise hält die EZB noch immer ihre schärfste Waffe bereit: Das 2012 aufgelegte Programm zum notfalls unbegrenzten Kauf von Anleihen kriselnder Eurostaaten ist startklar, aber noch nicht aktiviert. Denn es setzt voraus, dass ein Land unter den europäischen Rettungsschirm schlüpft und somit Reformvorgaben einhalten muss. Als heißesten Kandidaten für das Programm sehen Ökonomen noch immer Spanien.

Germany's Central Bank and the Eurozone

Author: [Christopher Alessi](#), Online Editor/Writer

February 7, 2013

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In addition to regulating the "amount of currency and credit in circulation," the Bundesbank has achieved its goal of price stability by setting both monetary and inflation targets, explain Richard H. Clarida and Mark Gertler in their paper ["How the Bundesbank Conducts Monetary Policy."](#) By pursuing this narrow mandate, the Bundesbank helped keep German inflation relatively low and spur economic growth in the post-War period, instituting a new paradigm for central banking in Europe and throughout the world.



Bundesbank President Jens Weidmann at the bank's headquarters. (Photo: Alex Domanski/Courtesy Reuters)

The Bundesbank Council--or Zentralbankrat--is the primary policymaking body of the bank, and its arrangement "reflects Germany's federal structure," writes André Szász for the book [The History of the Bundesbank: Lessons for the European Central Bank](#). Below the Council sits the Directorate and its president and vice president, who are nominated by the federal government, and the Land--or regional--central banks and their presidents, who are nominated by the Land governments. The council "consists of up to eight members of the Directorate and the presidents of the Land central banks," explains Szász. By way of comparison, Clarida and Gertler liken the Bundesbank Council to the U.S. Federal Reserve's Open Market Committee, adding that "from the perspective of political independence, any differences between the institutional setup of the Bundesbank and the Federal Reserve are not dramatic."

"Germany had a long and really ugly history of monetary instability that the Bundesbank had going for it." -- David Laidler, University of Western Ontario

Despite the Bundesbank's legal independence, it was not immune from German politics and was required to cultivate public support for its aims in order to maintain that independence. In the early years of the bank, the Bundesbank and its supporters tapped into the collective German memory of hyperinflation and the ensuing social unrest after World War I that led to the Nazi era, explains [David Laidler](#) of the University of Western Ontario. During World War I, Germany decoupled the mark from the gold standard and printed large quantities of banknotes in order to pay for the mounting costs of the war, ultimately triggering unprecedented inflation. In 1914, the dollar was worth 4.2 marks; in 1923, it was worth a staggering 4.2 trillion marks. "Germany had a long and really ugly history of monetary instability that the Bundesbank had going for it," says Laidler. Similarly, writes Jörg Bibow in the essay ["On the Origin and Rise of Central Bank Independence in West Germany"](#) (PDF), the Bundesbank's role "as a political actor in its own right and in carving public opinion should not be underestimated in explaining a peculiar German tradition that was finally exported to Europe in the 1990s."

Moreover, in the complicated postwar years in Germany, the country's stable currency became an important political symbol, Schwarzer suggests. "'National pride,' which seemed displaced after the Second World War, was replaced by the pride in Germany's economic success," she says.

Bretton Woods and the Bundesbank

The goal of the Bretton Woods international monetary system, established in 1944, was to "avoid a repetition of the economic chaos that had followed the First World War and done so much to precipitate the second," writes Laidler in an essay for the 2009 book [Monetary Policy Over Fifty Years: Experiences and Lessons](#). Participating nations fixed their exchange rates by binding their currencies to the U.S. dollar, which was, in turn, linked to gold. As Laidler writes in his essay, the system "implied that stability of the exchange rate rather than of prices was the key goal." This tenet ultimately posed a significant challenge for the Bundesbank as the

German economy gained strength and demand for its exports grew throughout the 1960s. "The Bundesbank was compelled ever more frequently to intervene in the foreign exchange market in order to counter appreciation pressures on the D-Mark," writes former Bundesbank president Axel Weber in *Monetary Policy Over Fifty Years*. As such, Weber explains, the bank was, for a period, torn between allowing the deutsche mark to appreciate vis-à-vis the dollar for the sake of external exchange rate stability and maintaining internal price stability at the expense of the international monetary order.

While the Bretton Woods system disintegrated in large part due to the [Smithsonian Agreement](#) of 1971, followed by former U.S. president Richard Nixon's unilateral decisions to de-link the dollar from gold and subsequently adopt a flexible exchange rate in 1973, the Bundesbank also played a role in the monetary order's demise. In the face of high U.S. inflation in 1969, the Bundesbank revalued the deutsche mark in order to limit the risk of external inflationary pressures. "The first nail went into the coffin [of Bretton Woods] when the Bundesbank and the Swiss National Bank and a few others broke away from the U.S. dollar in the face of U.S. inflation in the late 1960s," Laidler says.

In the first half of the 1970s, inflation, fueled in part by the 1973 oil crisis, rose throughout the developed world, including in Germany. But while inflation in the UK, for example, peaked at above 25 percent, in Germany it peaked at around 8 percent. Indeed, as [Markus K. Brunnermeier](#) of Princeton University explains, the Bundesbank's deft handling of that crisis solidified its role as an unrivaled paradigm for central banking around the world.

A Model for the ECB

"The ECB was the Bundesbank 2.0, but even a bit stronger in terms of its independence."--Daniel Gros, Center for European Policy Studies

Following the collapse of Bretton Woods, European nations took steps to create a new monetary order in Europe and to harmonize their exchange rates. Most significantly, they established the European Monetary System in 1979, which employed an [Exchange Rate Mechanism](#) to stabilize exchange rates between European member countries, including Germany. The EMS was the precursor to the Economic and Monetary Union that was formalized in the [Maastricht Treaty of 1992](#). The EMU paved the way for the establishment of the eurozone and the [European Central Bank](#), the ultimate successor to the Bundesbank. "The ECB was the Bundesbank 2.0, but even a bit stronger in terms of its independence," explains [Daniel Gros](#), director of the Center for European Policy Studies. Indeed, the ECB's goals of price stability and independence were written into the Maastricht Treaty.

"The whole plan of the ECB was essentially to bring the reputation of the Bundesbank to the ECB," explains Brunnermeier. Indeed, throughout the 1980s, the "prevailing paradigm" of monetary policy had shifted from a Keynesian one, which sees a role for government intervention, to a Monetarist one, which favors a more laissez-faire approach, argues the London School of Economics' [Paul De Grauwe](#). To achieve price stability, an institutional design ensured that the central bank was governed by unelected technocrats who fell outside the purview of political accountability. The Bundesbank fit the bill, and, as such, Germany had a strong strategic advantage when negotiating its accession to the EMU, De Grauwe argues. Germany was able to insist that if it were to join the eurozone, the ECB would be designed as a "close copy of the Bundesbank," he says.

The Bundesbank and the Euro Crisis

While the Bundesbank president only has one vote on the governing council of the ECB, it's a position that has nonetheless maintained an [outsized influence](#) at the bank since its inception over a decade ago. Current Bundesbank President Jens Weidmann echoed this sentiment in July 2012 in an interview marking the bank's [fifty-fifth year](#): "We are the central bank that is most active in the public debate on the future of monetary union," he said.

Throughout the ECB's short history, it has largely acted in line with the Bundesbank's approach to monetary policy. However, in the wake of the eurozone sovereign debt crisis, significant differences between the Bundesbank and the ECB have emerged over the latter's efforts to shore up the euro and arrest the burgeoning

crisis. The rupture between the two banks first began in 2010 when former ECB president Jean-Claude Trichet initiated the Securities Markets Program in order to buy Greek government bonds on the secondary market. The Bundesbank forcefully opposed the move, arguing that the ECB was overstepping its mandate. Ultimately, former Bundesbank president Axel Weber--then considered the most viable candidate to succeed Trichet as ECB president--resigned his post nearly a year early, in 2011, in protest over the bond-buying program.

The Bundesbank-ECB rift further widened in mid-2012 after current ECB President Mario Draghi unveiled a new--and potentially unlimited--program to buy the government bonds of struggling eurozone sovereigns on the secondary market, known as Outright Monetary Transactions. Weidmann was the only member of the ECB's governing council to vote against the move, which he likened to "[state financing via the money presses](#)" ([DerSpiegel](#)). The Bundesbank, explains an October 2012 [Economist](#) report, holds two deep-seated concerns over ECB bond buying: "First it exposes taxpayers in northern countries to risks that belong to those in southern states, but does so opaquely within the Eurosystem. Secondly, it takes monetary policy too close to the realm of fiscal policy and thus compromises the ECB's independence."

The Bundesbank believes that monetary financing of budget deficits violates the ECB's independence while undermining its objective of ensuring price stability. This line of thinking, De Grauwe says, has been used by the Bundesbank to "argue that any bond-buying program should be ruled out because of its inflationary potential and because of a fear it would make the central bank dependent on the political world." But De Grauwe suggests this argument disregards the fact that the ECB bond buying programs have been restricted to the secondary market, which means it would be buying government bonds from financial institutions and not directly financing budget deficits.

Moreover, despite the ECB's commitment to enact the OMT program, it has yet to begin buying government bonds. In this regard, Brunnermeier argues, the Bundesbank can "still have an influence on the extent to which the ECB program will be conducted." While the Bundesbank is not "at the center of the ECB's decision making," Brunnermeier says, its opposition to OMT will likely have an impact on the speed of the program, if it is enacted.

Separately, the Bundesbank has voiced concerns over plans for a new EU banking supervisor, which would be housed within the ECB. Weidmann has called for large eurozone states like Germany to have a greater role in the future banking supervision process at the ECB, notes Schwarzer. More significantly, she explains, "Weidmann has questioned whether the ECB should supervise banks at all, as the banking supervision activities may not be sufficiently separated to ensure the ECB's independence."

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[Backgrounder](#)

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Mario Draghi a réussi à faire fléchir l'euro

Par [Jean-Pierre Robin](#) Mis à jour le 07/02/2013 à 16:53 | publié le 07/02/2013 à 16:46

68,129



Crédits photo : LISI NIESNER/REUTERS

Le président de la Banque centrale européenne reconnaît que la hausse de l'euro l'inquiéterait si cela devait remettre en cause la stabilité des prix. Autrement dit si la zone euro entrait dans un cycle déflationniste.

La Banque centrale n'a pas d'objectif de taux de change et son seul souci est la stabilité des prix. Telle est la doctrine officielle traditionnelle que [Mario Draghi](#) a réaffirmée, ce jeudi, à l'issue de la réunion mensuelle des gouverneurs de la BCE.

Mais la stabilité des prix à la consommation doit s'entendre dans les deux sens. Qu'ils n'augmentent pas trop vite, ce qui est une évidence, mais qu'ils ne s'effondrent pas non plus. En clair qu'ils ne s'écartent pas de l'objectif de progression annuelle de 2% des prix à la consommation dans l'Euroland.

Avec une habileté consommée digne d'un jésuite romain, Mario Draghi a rappelé cette seconde acception du mot «stabilité». Il a admis que la [BCE](#) examinerait la situation. «L'appréciation (de l'[euro](#)) modifierait notre jugement dans la mesure où la stabilité des prix est concernée», selon ses propres termes.

Cette petite phrase a eu le don d'alerter les marchés des changes, qui ont réagi en faisant baisser l'euro de 1%, à 1,34 dollars.

Va-t-on dans le sens d'une politique de taux de change que [François Hollande](#) a souhaitée mardi dernier, lors de sa [déposition devant le parlement européen](#)? Que nenni. Interrogé à propos des remarques du président de la République française, Mario Draghi lui a même fait la leçon: «Il ne faut jamais oublier que la Banque centrale européenne est indépendante».

Chacun est maître dans son royaume

La BCE n'est manifestement [pas prête à entrer dans la «guerre des monnaies»](#), un terme que Draghi a lui-même utilisé, mais pour dédramatiser les intentions prêtées à certains de ses homologues, [tel le gouverneur de la Banque du Japon](#). «Les évolutions des taux de changes ne sont pas des mouvements délibérés et ciblés, (comme le seraient) des dévaluations compétitives, mais l'effet des politiques monétaires». Et il a cité le changement d'objectif d'inflation (annoncé récemment par la Banque du Japon), ainsi que l'annonce faite précédemment par la Fed des États-Unis de maintenir pendant une longue période des taux d'intérêts bas.

Mario Draghi estime donc que ces décisions de ses homologues américain et japonais sont tout à fait légitimes en soi. Chacun est maître dans son royaume.

Toutefois il a ajouté que «si les effets ne sont pas conformes à l'analyse du G20, il faudra agir». Autrement dit si les politiques monétaires des grands acteurs nationaux conduisent à des taux de change qui ne reflètent pas les fondamentaux des économies nationales respectives, les chefs d'État ou de gouvernement qui siègent au G20 devront se mettre d'accord entre eux pour corriger les excès. François Hollande est prié de s'adresser donc à ses homologues du G20.

Charlemagne

Europe à l'Hollandaise

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François Hollande's flawed vision for Europe

Feb 9th 2013 | [From the print edition](#)



LEADERS keep talking about the future of Europe, yet none seems able to offer a clear vision. Angela Merkel speaks vaguely of the need for greater “Europeanisation of national powers”. David Cameron, by contrast, wants a renationalisation of European powers—though without being too specific. This week it was François Hollande’s turn to speak about destiny. His concept, as set out in a speech to the European Parliament on February 5th, is to extend French *dirigiste* and socialist ideas to Europe, even where they cannot be applied to France itself.

Take the rising value of the euro. France cannot resort to devaluation to close its already large trade deficit. So Mr Hollande wants euro-zone governments to act together to bring down the exchange rate. Or take competitiveness. Mr Hollande has adopted some cautious labour-market reforms, but now he proposes a euro-zone minimum wage. Or take taxation. Having put up French taxes, he wants euro-zone countries to “harmonise” tax policies. Or take macroeconomic policy. If deficit countries must undergo austerity, then the EU as a whole should continue spending to support growth, and surplus countries should boost domestic demand to bring up the rest.

All this, said Mr Hollande, has to be part of a future “euro-zone government”—a subtly different term from the “economic government” that his predecessor, Nicolas Sarkozy, used to advocate. The precise meaning is elusive, though Mr Hollande would like it to include a separate budget for the euro zone.

Some of what Mr Hollande says makes sense. Austerity has been pushed too hard and too fast. And a currency union needs some collective means of counterbalancing downturns in one or other state. Yet for Mr Hollande, as for many of his predecessors, competition is often “disloyal” and market forces dangerous—things to be tamed rather than encouraged. From both the left and the right, French politicians accuse European countries that allow lower wages and tax rates than France of practising “social dumping”.

Nebulous as Mr Hollande’s message may have been, it is striking that he spoke about the future at all. Since his election last year, the Europhile Mr Hollande has acted as if the less said about big European ideas the better. The European summit in December killed plans for a long-term “road map” to redesign the euro zone. In part, Europe’s leaders are busy managing the immediate crisis, still grappling with the creation of a euro-zone

banking supervisor. In part, Mr Hollande had an unspoken truce with the German chancellor: he toned down his calls for Eurobonds; she stopped talking so much about the need for political union.

And yet, during his address in Strasbourg, Mr Hollande himself declared that Europe now needed “a stronger political union, otherwise it would be semi-paralysed”. France stood ready “to launch the great project of deepening the economic and monetary union”. Next year’s election for the European Parliament should be the occasion for a “great debate on the future of Europe”, particularly its institutional “architecture”.

At no point did Mr Hollande mention a revision of the treaties, let alone a referendum to approve the outcome. But he seems to be preparing the ground for such a negotiation. Others reckon his conditions are designed to avoid one. At the very least, Mr Hollande is marking himself apart from Mrs Merkel and Mr Cameron, and telling them that if they insist on reopening the treaties, France will brandish a list of difficult demands.

The future of the euro zone, Mr Hollande suggests, will not be the Germanic notion of euro-zone members bearing individual responsibility for their economic policies, within rigid rules imposed by the centre. Instead integration must include common projects on, say, infrastructure and renewable energy, paid for by “new financial instruments”. And integration must be accompanied by greater “solidarity”, including guaranteed jobs and training for young people and, yes, Eurobonds.

Little of this fits with the British model of a looser, highly liberalised common market, in which members have the flexibility to tailor the terms of their membership. Europe, said Mr Hollande, was not just a market or a currency, but a political project where one could not ceaselessly “question everything at every stage”.

There could be no “à la carte” Europe. But there could be a “differentiated” EU in which some countries push towards integration, while preserving a “substantial foundation which must remain common competences”. In other words, Britain need never join the single currency, but cannot undo the deals that created today’s single market.

The 3% question

For now, Mr Hollande’s main worry is not to be cast as a “Club Med” country unable to keep up with Germany in a hard-currency, low-inflation zone. He may soon face a tricky problem. The European Commission’s official forecasts later this month will almost certainly indicate that France will miss its EU target to bring the budget deficit to below 3% of GDP this year. Others, such as the Netherlands and Belgium, may have similar trouble,

Should Mr Hollande cut spending to meet EU rules, or breach the target to avoid what he calls “austerity without end”? The commission, for its part, is torn about whether to dare tell a big founding member like France to tighten its belt. Perhaps, think some, France could be deemed to be meeting its target in “structural” terms (ie, after the effect of the economic cycle is accounted for). Or perhaps, Mr Hollande hinted, the targets could be revised “collectively”. Whatever the fudge they will come up with, Mr Hollande knows that in negotiations about the future of Europe putting public finances in order is the vital condition for maintaining France’s credibility.

Economist.com/blogs/charlemagne

Race against time

As long as the economy is mired in recession political risks will remain

Feb 9th 2013 | [From the print edition](#)

JUST a month after Mario Draghi, the president of the European Central Bank (ECB), talked of “positive contagion” in the euro area, Europe has had a rude reminder that financial markets are prone to violent mood swings. On February 4th fears about political upheavals in Spain and Italy caused government-bond yields in both countries to jump. Stockmarkets in both places dropped sharply; European equities more generally also fell.



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The reverses may be only a temporary jolt in the long rally that Mr Draghi had been celebrating. But the bigger worry is that the improvement in financial conditions since last summer, when the ECB president pledged to save the single currency from disintegrating, has not yet sparked a revival in the real economy.

Indeed, the hole from which the euro area must escape deepened in late 2012. Output in Spain, the euro zone’s fourth-biggest economy, contracted by 0.7% in the final three months of 2012. Economists are expecting a further decline in euro-wide GDP when the official figures for the fourth quarter come out on February 14th. Barclays, for example, is forecasting a 0.4% fall (or an annualised decline of 1.6%).

Consumers were certainly in tight-fisted moods in December. The volume of retail sales in the euro zone that month dropped by 0.8% compared with November, leaving it 3.4% lower than a year earlier. With so many people unemployed—the jobless rate across the euro area stayed at 11.7%—that was hardly surprising.

These figures record the recent past. Business surveys, by contrast, offer a guide to what is happening now. These have been turning up but have not yet reached a level consistent with recovery. An output index for manufacturing and services compiled by Markit, a research group, recorded a reading of 48.6 in January. Although that was its highest in ten months, the index was still on the wrong side of 50, the dividing line between decline and expansion. One encouraging sign is that Germany, the biggest economy in the euro club, appears to be regaining its verve, scoring 54.4. On the other hand activity has deteriorated in France, the second-largest, which scored a worryingly low 42.7.



Louring over the zone's prospects are two dark clouds. One is that banks remain reluctant to lend. Credit standards for loans to businesses will tighten in the first quarter of 2013, according to a survey published by the ECB on January 30th. The second is the appreciation of the euro. Over the past six months the single currency has gained 11% against both the dollar and a trade-weighted basket of currencies (see chart), in part because of renewed confidence about its future. The euro's recent strength is hurting even the area's champion exporter, Germany, and stymying hopes among weak economies that they can trade their way out of trouble.

François Hollande, the French president, said this week that the euro's strength was undermining attempts by countries like France to regain competitiveness. But his call for euro-zone governments to set an exchange-rate policy won't get anywhere. More pertinently, the ECB was not expected to respond to the stronger euro by lowering interest rates at its meeting on February 7th (after *The Economist* had gone to press).

The longer a recovery is in materialising, the likelier that doubts about the viability of the euro will be rekindled. Public backing for harsh reforms and austerity in the peripheral countries will be eroded if growth remains elusive. That could make it harder for the ECB to follow through on the commitment that stemmed the crisis: supporting beleaguered countries with unlimited purchases of their short-term bonds if they apply for help from the European rescue fund and accept the stringent terms for such a bail-out. If politics in the periphery turns sour, that sort of conditionality could prove impossible to enforce.

No change but an eventful day

Feb 7th 2013, 19:17 by P.W. London

EUROPEAN central banks were centre stage today as they announced their monetary-policy decisions for February. As expected neither the European Central Bank (ECB) nor the Bank of England (BOE) made any change to interest rates, which in both cases are at historic lows. But there were other important developments today. In Frankfurt the ECB seems to have given its tacit approval to Irish moves to restructure debt incurred in supporting its banks. And in London the BOE issued a rather gloomy statement about the economic outlook while Mark Carney, governor of the Bank of Canada, set out his stall in a way that suggests he will be more proactive in supporting the British economy when he takes over from Sir Mervyn King in July.

At his press conference Mario Draghi, the ECB boss, batted away questions about the steps taken this week by the Irish government to replace the promissory notes issued to support the collapsed Anglo Irish Bank (and a bust building society) with much longer-term debt. These measures, which will reduce the present value of the obligations, are politically as well as financially important to the Irish government as it tries to maintain public support for austerity (the €3.1 billion annual repayment due on the promissory notes was close to this year's budget-tightening measures) while steering a path out of its bail-out programme by the end of this year. But they had to be acceptable to the ECB, since it sanctions the lending that the Irish central bank has in turn provided to Anglo Irish on the basis of these promissory notes. And the ECB has in the past resisted calls for a restructuring for fears that it might constitute monetary financing.

A deal of sorts appears nonetheless to have been struck though Mr Draghi was coy about what had happened. He confined himself to saying that the governing council had taken note of the Irish actions. But in a statement from Enda Kenny, the Irish prime minister himself noted: "Under the agreement reached today with the European Central Bank, the promissory notes are being exchanged for long term Irish government bonds with maturities of up to 40 years."

The main policy question for Mr Draghi was whether the ECB should respond to the euro's appreciation. Earlier in the week François Hollande, the French president, had complained that the strengthening of the single currency was hurting economies like France's that had been trying to regain competitiveness. Mr Draghi was never going to respond to that provocation, but he left his options open. On the one hand he said that the appreciation of the euro was a sign of returning confidence and pointed out that the euro both in nominal and real terms was at long-run averages. But while stating that risks to the inflation outlook were broadly balanced he cited the appreciation of the euro as a downside risk. That leaves him and the ECB with room for manoeuvre if staff projections next month show that overall the risks on prices as well as activity are on the downside.

In London the BOE for its part surprised its watchers by issuing a statement, something it normally does only when it changes monetary policy. The central bank sounded a pessimistic note. Recovery would be slow while inflation was likely to rise further in the near term and could stay above the 2% target over the next two years. City economists were left scratching their heads as to why the bank had changed its communication strategy. Philip Shaw of Investec thought it might want to justify its stance ahead of forecasts revealing the inflation overshoot, which the BOE will publish on February 13th. Kevin Daly of Goldman Sachs thought it was likely to have been triggered by the imminent arrival of Mr Carney, who is keen on forward guidance.

Mr Carney's appearance at a parliamentary committee had been eagerly expected for insights into how he might shake up the BOE and resuscitate a moribund economy. He seemed to have become less keen on the idea of targeting nominal GDP rather than inflation, an option that he aired last December for economies stuck in a rut. Instead he backed "flexible" inflation targeting, in particular over the time it takes to restore price stability, as well as "extraordinary forward guidance". If Britain's monetary-policy arrangements are altered this may be through making the bank's mandate to meet the inflation target more explicitly flexible - though some might

say that its record as a serial overshooter in recent years shows that it has had little difficulty in being flexible under the existing regime.

Lessons From The 1930s Currency Wars

Submitted by [Tyler Durden](#) on 02/07/2013 20:23 -0500

68,136

With Abe picking his new dovish playmate, and Draghi doing his best to jawbone the EUR down without actually saying anything, it is becoming very clear that no matter what level of bullshit histrionics is used by the politicians and bankers in public, the **currency wars have begun to gather pace**. Japan's more open aggressive policy intervention is the game-changer (and increasingly fascinating how they will talk around it at the upcoming G-20), as if a weaker JPY is an important pillar of the strategy to make this export-oriented economy more competitive again, it brings into the picture something that was missing from earlier interactions among central banks of the advanced economies – **competitive depreciation**. *The last time the world saw a fully fledged currency war was in the early 1930s*. Morgan Stanley's Joachim Fels looks at what it was like and what lessons can be drawn for the **sequence of events** - there are definite winners and losers and a clear first-mover advantage.

Via Morgan Stanley, Back to the 1930s? What Would a Currency War Look Like?

What did the currency war of the 1930s look like?

The backdrop for the currency war of the 1930s was the Gold Standard and the Great Depression (many economists blame the former for the latter). By fixing the value of the currency to the price of gold, the Gold Standard prevented a country from printing too much money. If it did, people would simply exchange it for gold (or for other currencies pegged to gold). Yet, this rigid 'rule' also denied policy-makers any flexibility to deal with shocks to their economies. This was the reason why the UK abandoned this regime, setting off a volatile chain of events:

- On September 19, 1931, sterling was taken off the Gold Standard. It was devalued against gold and hence against the 'gold bloc' currencies (currencies that remained pegged to gold). The run-up to this event and its fallout was felt throughout the world.
- Prior to the devaluation, in June and July 1931, one prominent bank in both Austria and Germany failed, which led to capital controls being imposed in both places. Capital controls protected these economies in the near term, but exacerbated fears about the future of sterling and the Gold Standard itself.
- Following the devaluation of sterling, Norway and Sweden went off the Gold Standard on September 29. A day later, Denmark followed.
- The US economies, like other countries of the gold bloc, lost competitiveness and exports turned down. Eventually, in January 1934, the US Congress passed the 'Gold Reserve Act' to nationalize gold held by banks and monetized it by giving banks gold certificates that they could use as reserves at the Fed. More importantly, it also forced a devaluation of the US dollar against gold.
- Like the US economy, the remaining gold bloc countries (France, Germany and some smaller economies) also suffered a loss of competitiveness and poor export and industrial production growth. By 1936, they gave up and abandoned the Gold Standard as well.

What lessons can we draw from the events of the 1930s?

We draw three pertinent lessons from that episode:

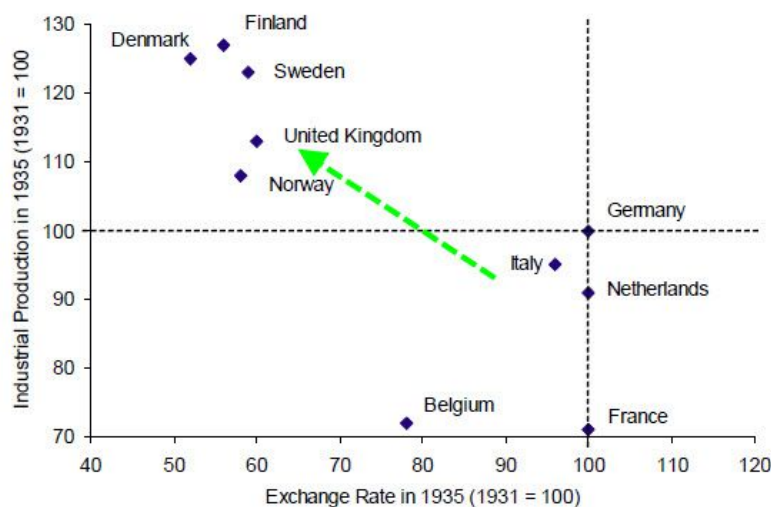
Lesson 1: As in every crisis, events were and will always be highly non-linear, with domestic conditions the most likely cause: It was painfully high unemployment that was the main driver of the devaluation of sterling.² Although unemployment had been painfully high for a while, it was only a few months prior to the devaluation that market fear really ratcheted up.

Lesson 2: Markets punish policy uncertainty: Needless to say, there were dramatic movements in the exchange rate of the countries that devalued. However, with the devaluation out of the way, market and economic pressure as well as policy uncertainty shifted to the ‘gold bloc’ economies. For investors, it became a matter of when, rather than whether, the gold bloc economies would be forced to respond.

Lesson 3: Early movers benefited at the expense of the gold bloc, a ‘beggar-thy-neighbor’ outcome: From an economic standpoint, the sharp improvement in competitiveness of the early movers stood them in good stead against the gold bloc economies who stuck to the regime. Exhibit 1 shows that the UK and the Scandinavian economies saw a significant improvement in industrial production by 1935, whereas the ‘gold bloc’ economies (France and Germany – even though the latter employed capital controls) suffered. By the time the gold bloc economies capitulated, they had lost significant ground on this front to the early movers.

Exhibit 1

Early Movers Benefit



Source: Morgan Stanley Research calculations, based on Eichengreen and Sachs (1985)

Could it happen again? Like any historical precedent, there are differences and similarities that must be accounted for.

What's different this time? Unlike the Gold Standard era, most major currencies are now part of a flexible exchange rate regime, which should make such large currency moves less likely. Further, extreme tail risks that might well have precipitated such dramatic policy responses only a few years ago have also receded.

What's similar? Domestic origins and ‘beggar-thy-neighbor’ effects: Even though policy-makers battled using exchange rates, the events of the 1930s had their origins in domestic issues. As mentioned above, it was painfully high unemployment in England that led sterling off the Gold Standard. The competitive devaluations that followed were also reactions by policy-makers to protect their domestic economies.

Similarly, it is the domestic agenda that could drive competitive depreciation today. In this vein, the desire of Japan's policy-makers to revive investment in their export-oriented economy likely means that the yen will likely play an important role. However, since global demand is likely to remain sluggish, a revival of Japan's export sector on the back of yen weakness is likely to eat into the market share of other exporters – something that could well invite measures to curb significant weakening of the yen. These negative spillovers are identical in nature to the ‘beggar-thy-neighbour’ policies of the 1930s.

If it did happen, what could an improbable but not implausible sequence of events look like?

In what follows, we create a plausible sequence using events that have both a reasonable probability of occurring and are already on investors' radar screens:

- **6-138The starting point:** Japan's policy-makers initially follow a concerted plan of reflating the Japanese economy, with a weak yen as an important pillar of strengthening the export sector.
- **Further easing from the major central banks...** The ECB and/or the Fed ease further due to a deterioration in financial conditions. In the case of the euro area, euro strength or an idiosyncratic increase in risks might be responsible for a tightening in financial conditions. In the US, the obvious candidate is the risk surrounding the fiscal cliff and the debt ceiling confronting the US Congress.
- **...and/or capital controls from EM economies:** Uncomfortable with the combination of further capital inflows and yen weakness, some AXJ and LatAm economies impose capital controls.
- **Japanese policy-makers react to yen strength:** In order to ensure export competitiveness, Japanese policy-makers take further measures to weaken the yen.

There isn't much in the 'timeline' above that is news, yet the combination serves well to illustrate how a currency war could plausibly play out.

Where are we now?

The key variable in the sequence of events above is the reaction of Japan's policy-makers. **If a weaker yen is indeed an integral part of their plans and if they have a strong intent to make sure it remains so, the risk of a currency war is higher now than it has been in the past.** Investors have moved beyond questioning whether EM economies will have a response and are now wondering at what point such a response is likely. At the same time, near-term risks in the US and euro area economies remain in play, as does the prospect of prolonged or even enhanced monetary stimulus.

In the EM world, **Japan's export competitors in AXJ could respond with some combination of verbal intervention, FX intervention, capital controls and, with a much lower likelihood, policy rate cuts.** In the particularly interesting cases of Korea and Taiwan, our economist Sharon Lam believes that verbal intervention (already under way to some extent), intervention in the foreign exchange markets and capital controls represent the most likely policy reactions. Rate cuts at a time when both economies are already expanding may serve to accelerate domestic growth and perversely cause even more capital inflows and currency appreciation rather than depreciation. **For moderate moves in the yen's value, the effects on China are likely to be limited since it does not compete head-to-head with Japan's high-end electronics and car exports.** However, in a currency war situation, the slow-moving USDCNY exchange rate may make restoring competitiveness tricky.

However, even as we discuss AXJ, **let us not forget that other parts of the EM world are also concerned about currency appreciation.** For all the talk about potential policy action in AXJ, we have already seen some of it come out of Latin America. In contrast to AXJ, Latin America is slowing, which puts rate cuts firmly on the agenda. Indeed, **Colombia's recent rate cut was likely influenced by the peso's strength.** Luis Arcentales, our Mexico economist, believes that concerns about the currency war have also probably been an influencing factor in Banxico's u-turn towards a dovish stance from a hawkish one just a few weeks ago. In an innovative twist to the usual FX intervention, Peru has announced that it will buy back its international bonds and issue ones denominated in its domestic currency instead. Even Chile, one of the most advanced and stable EM economies, is discussing structural reforms to address the strength of its currency.

In summary, while a currency war is not our base case, the new-found commitment of Japan's policy-makers does raise the risk of retaliatory action to keep the yen weak, and brings us a step closer to a currency war. The experience of the 1930s suggests to us that such large currency crises are likely triggered by domestic issues, and that they do create distinct winners and losers. EM policy-makers are already gearing up to make sure they remain on the winning side, but the balance of power for now rests with Japan.

