

Hollande-Cameron-Merkel : tensions au sommet européen

Par [Jean-Jacques Mevel](#) Mis à jour le 08/02/2013 à 13:10 | publié le 08/02/2013

69,1

Le compromis sur un budget d'austérité se dessine au sommet européen. Mais c'est au prix de tensions politiques voire personnelles qui risquent de laisser des traces entre François Hollande et David Cameron bien sûr, mais aussi avec Angela Merkel.

De notre correspondant à Bruxelles

Au bout d'une nuit blanche, le [compromis sur un budget d'austérité se dessine](#) au sommet européen de Bruxelles. Mais c'est au prix de tensions politiques voire personnelles qui risquent de laisser des traces entre [François Hollande](#) et [David Cameron](#) bien sûr, mais aussi avec [Angela Merkel](#).

Au petit matin, les 27 semblaient tout proches d'un accord sur des dépenses totales d'un peu plus de 908 milliards jusqu'en 2020 (paiements réels), un chiffre plus proche des exigences de Londres que des lignes rouges successivement tracées par Paris. Pour boucler le budget et aller jusqu'au bout, les Vingt-Sept devaient maintenant négocier chapitre par chapitre, un donnant-donnant impitoyable qui pourrait les occuper une bonne partie de la journée.

Derrière les chiffres, c'est un bras de fer politique opposant des visions contradictoires de l'Europe qui a agité toute la nuit. Entre François Hollande, promoteur d'un budget généreux, et David Cameron, chef de file des sabreurs, le climat est resté glacial. Le rendez-vous, finalement arrangé vers trois heures du matin, n'a pas vidé l'abcès.

Côté britannique, le sentiment d'avoir été «snobé»

Un incident, que Paris et Londres cherchent à minimiser, témoigne de la mésentente: jeudi soir le président français a décliné un rendez-vous de conciliation avec le premier ministre britannique, auquel l'invitait le maître de séance Herman Van Rompuy. François Hollande a tout simplement refusé de répondre au téléphone, selon *The Guardian*. Du côté français, on évoque un agenda trop serré, le chef de l'État s'étant entretenu au même moment avec l'Italien Mario Monti et l'Espagnol Mariano Rajoy. Reste, du côté britannique, le sentiment désagréable d'avoir été «snobé», d'autant que le président Hollande avait prévenu à son arrivée: il était prêt à discuter, mais seulement «jusqu'à un certain point».

Cette passe d'armes prévisible cache un arrière-plan plus inquiétant: la paralysie confirmée de l'axe franco-allemand. Angela Merkel, partie prenante du rendez-vous de conciliation, a elle aussi vainement attendu le président français, même si elle l'avait déjà rencontré par ailleurs. «Le fond du problème, c'est un profond désaccord politique entre Paris et Berlin, dit un responsable. Il finit par gripper toute la machine européenne».

«C'est toujours Angela Merkel qui fait pencher la balance»

Dans les coulisses du sommet, des responsables regrettent ouvertement que François Hollande soit allé courtiser, mardi à Strasbourg, le président socialiste du parlement européen Martin Schulz; et, du même coup, des eurodéputés qui songent sérieusement à censurer le compromis arraché de haute lutte à Bruxelles. La chancelière, elle, n'a peut-être pas apprécié que le président batte le rappel de ses alliés Mario Monti et Mariano Rajoy, plutôt que de venir débattre au fond avec elle et David Cameron.

De fait, loin des espoirs d'accord préalable avec Berlin nourris à Paris, le grand marchandage budgétaire n'a cessé de tourner à l'avantage de David Cameron. Le chiffre de 908 milliards d'euros, qui semblait acquis vendredi matin, est plus près des exigences britanniques (905) que du plancher que l'Élysée croyait pouvoir imposer (913). **«Au bout du compte, c'est toujours Angela Merkel qui fait pencher la balance», note un diplomate.**

EU-Betonfinanzen

08.02.2013 · Weiterhin werden mehr als zwei Drittel von fast einer Billion Euro für europäische Bauern und für die Strukturförderung ausgegeben. **Die Verliererin dieser Betonfinanzen ist ausgemacht: Es ist die Wettbewerbsfähigkeit Europas.**

Von [Holger Steltzner](#)

Die neuen Gewinner im Ringen um die künftigen EU-Finanzen sind die alten: die Bauern. Weiterhin werden mehr als zwei Drittel von fast einer Billion Euro für europäische Bauern und für die Strukturförderung ausgegeben. Der Grund ist so alt wie die EU. Gegen den Willen großer Agrarstaaten wie Frankreich sind die Subventionen für Landwirte nicht kürzbar. Dasselbe gilt für ökonomisch fragwürdige Strukturhilfen, die regelmäßig fehlgeleitet werden, die aber wiederum Ost- und Südeuropäer vor Einschnitten schützen.

Es liegt auf der Hand, was daraus folgt: Ein EU-Finanzrahmen, der die Vergangenheit zementiert und der kaum Geld hat für moderne Investitionen etwa in Grundlagenforschung oder für den Ausbau transeuropäischer Netze.

Wer nur die Vergangenheit auf die Zukunft übertragen möchte, der sollte auch in den Folgejahren mit seinem früheren Budget wirtschaften können. Insofern ist es konsequent, dass die Staats- und Regierungschefs auf die stets nur steigenden Ausgabenwünsche von EU-Kommission und Parlament mit einem Stoppschild antworten. Die Staatschefs sind zwar maßgeblich an den rückwärts gewandten EU-Finanzen beteiligt. Aber sie müssen sich in ihren Ländern anders als Funktionäre der EU **auch den Wählern stellen.**

Und die haben kein Verständnis, dass überall gespart werden muss, nur nicht in Brüssel. Schließlich bezahlt der Steuerzahler die Traumgehälter im üppig ausgestatteten EU-Verwaltungsapparat. Der EU-Parlamentspräsident Martin Schulz (SPD) bezeichnet die Einigung als ein „unglaubliches Täuschungsmanöver“.

Ein bisschen Wahlkampf?

Fragt sich, ob er für die Steuerzahler unter den EU-Bürgern spricht oder ein bisschen Wahlkampf für seinen Parteigenossen Steinbrück macht. **Es wäre auch nicht weiter schlimm, wenn das EU-Parlament den Ausgabenrahmen von rund 960 Milliarden Euro ablehnen sollte,** wie von Schulz angedroht. Denn dann würde der alte Finanzrahmen einfach fortgeschrieben, Details müssten jährlich neu verhandelt werden. **Aus Sicht der Steuerzahler wäre das allemal besser als die von Brüssel geforderte starke Ausweitung der Ausgaben.**

Politisch haben die Nettozahler gewonnen, zumindest zum Teil. Der britische Premierminister Cameron hat leichte Kürzungen durchgesetzt, Frankreichs Staatspräsident Hollande seine Bauern verteidigt und Bundeskanzlerin Merkel ihren Deckel von einem Prozent der Nationaleinkünfte bekommen. **Die Verliererin der EU-Betonfinanzen ist unsichtbar, sie wird aber peu à peu sichtbar werden: Es ist die Wettbewerbsfähigkeit Europas.**

Quelle: F.A.Z.

February 8, 2013

69,4

European Leaders Reach Budget Deal

By [JAMES KANTER](#)

BRUSSELS — [European Union](#) leaders on Friday agreed to a budget worth nearly €1 trillion to support farming, transportation and other infrastructure, as well as big research projects for the 27-nation bloc.

After two days of marathon negotiations, the Union's 27 leaders agreed to a slightly smaller communal budget for the next seven years — **the first decrease in its history** — that reflects the **climate of austerity** in a region still struggling to emerge from a crippling debt crisis.

“Deal done,” Herman Van Rompuy, the president of the European Council, which organizes summit meetings, said in a message sent on Twitter.

The deal would cover the cost of project for “the rest of the decade” and was “worth waiting for,” wrote Mr. Van Rompuy.

The budget is negotiated every seven years and involves **furious horse-trading** as **leaders focus on getting the best deal for their own countries' citizens, rather than emphasizing pan-European considerations.**

The marathon session was the second attempt to reach a deal on the funding package, which will run from 2014 to 2020; the first attempt collapsed in November.

Another failure to strike a deal on a sum of money that represents only about 1 percent of the Union's gross domestic product would have been a severe embarrassment for the leaders, who already have spent the past few years bickering over how to save the euro.

The European Commission, the bloc's policy-making arm, **had sought an increase in the overall budget of around 5 percent to more than €1 trillion, or \$1.35 trillion.**

Mr. Van Rompuy pared that sum to about €973 billion at the previous summit meeting in November.

On Friday morning, Mr. Van Rompuy presented further revisions lowering the amount to about €960 billion but holding down the amount of cash governments contribute up front.

That formula was designed, in part, **to satisfy countries like Britain and the Netherlands that pay more into the budget than they receive, while also accommodating the demands of countries like France and Italy that want to maintain generous payments for agriculture and infrastructure.**

The deal faces still more hurdles before it is enacted by the European Parliament, which has the power to veto the budget.

Some of the most influential figures in Parliament have already signaled that they are prepared to reject a budget that foresees spending less on Europe in the years ahead.

Guy Verhofstadt, the head of the alliance of liberals in the Parliament, called on Thursday for a full-revision clause to be inserted into the budget, so that it could be increased after three years if economic conditions improved.

Martin Schulz, the president of the Parliament, said Thursday that he would **not approve a budget that widened the overall gap between the amount of cash paid upfront by governments and the somewhat higher amounts, known as commitments, which make up the overall budget.**

The Washington Post

Europe consuming more coal

By [Michael Birnbaum](#), Published: February 8

69,5

JAENSCHWALDE, Germany — Green-friendly Europe has a dirty secret: It is burning a lot more coal.



Europe's use of the fossil fuel spiked last year after a long decline, powered by a surge of cheap U.S. coal on global markets and by the unintended consequences of ambitious climate policies that capped emissions and reduced reliance on nuclear energy.

The new dependence on one of the dirtiest fuels shows just how challenging it is to maintain the momentum needed to go green, analysts and officials say, and demonstrates the far-reaching effects of America's natural gas boom.

In the United States, natural gas is now frequently less expensive than coal for power, so demand for the hard, black fuel has plummeted. Ships are steaming the coal around the world instead. U.S. coal exports to Europe were up 26 percent in the first nine months of 2012 over the same period in 2011. Exports to China have increased, too.

"It's been very welcome that U.S. greenhouse gas emissions have been going down because of the switch to gas," said David Baldock, executive director of the Institute for European Environmental Policy in London. "But if we're simply diverting the coal somewhere else, particularly to Europe, a lot of those benefits are draining away."

In Germany, which by some measures is pursuing the most wide-ranging green goals of any major industrialized country, a 2011 decision to shutter nuclear power plants means that [domestically produced lignite, also known as brown coal, is filling the gap](#). Power plants that burn the sticky, sulfurous, high-emissions fuel are running at full throttle, with many tallying 2012 as their highest-demand year since the early 1990s. Several new coal power plants have been unveiled in recent months — even though solar panel installations more than doubled last year.

Here in Jaenschwalde, a stone's throw from the Polish border, the forested countryside quickly drops away into a 300-foot-deep pit stretching for miles. Enormous machines slowly eat away at the earth and shower soft lignite onto a conveyor belt that feeds directly into a nearby power plant. From the precipice of the mine, the 20-foot-tall trucks at the bottom look like Tonka toys.

Last year, the power plant consumed 88,000 tons of lignite a day and generated more electricity than it had since 1981, according to Vattenfall, the Swedish company that runs it. That record is even more impressive given that in 1981, Communist East German officials didn't have to contend with labor laws or environmental regulations and could run the mines almost every day of the year.

The expansion of lignite mining has stunned some people who live in its path. One community under threat is the tiny hamlet of Atterwasch, a cluster of 250 people on the edge of a proposed expansion of the Jaenschwalde mine. They might have to leave their homes, as well as their church, whose chapel was built in 1294.

"This church survived the Thirty Years' War [in the 1600s], two world wars and socialism," said Mathias Berndt, the senior pastor at the church, which is festooned with anti-coal-mining protest banners. "Now a free country is coming and saying, 'Good for you, but now you have to move.'"

Demand for coal in Germany has been rising since a May 2011 move [to phase out nuclear power](#) by 2022. The shutdown was spurred by the nuclear meltdown at the [Fukushima Daiichi plant](#) in Japan as well as long-standing German concerns about safety. But nuclear energy, which is low in greenhouse gas emissions, has been partially replaced by brown coal. Lignite supplied 25.6 percent of Germany's electricity in 2012, up from 22.7 percent in 2010. Hard black coal supplied an additional 19.1 percent last year, and it was also on the rise.

Germany phases out nuclear

"The faster phaseout [of nuclear energy] has led to an increased fallback on lignite," said Thomas Bareiss, a member of Germany's parliament and the energy policy coordinator for the ruling Christian Democratic Union party. "Lignite will surely play an important role for our energy mix over the next two or three decades."

But the rise of coal has posed a challenge to Germany's tough environmental goals. By 2050, the country aims to generate 80 percent of its electricity from renewable sources, allowing steep reductions in greenhouse gas emissions. Green advocates worry that if Germany's extensive — and pricey — support for renewable energy such as wind and solar power diminishes, coal might further fill in the gap.

Energy companies say that the two forms of power generation can live together for now. Lignite plants, they say, are an economical way to meet demand at times when the wind isn't turning windmills and the sun isn't warming solar panels. But officials acknowledge that with the ambitious energy goals, coal's future might be limited.

Germany "has to change completely," said Hartmut Zeiss, head of mining for Vattenfall Europe. "The question now is how long it will take and what we can afford."

In other European countries, the quick rise of coal has surprised people who thought it was a waning industry. In Britain, domestic coal production nearly died in 1984 during a bitter, year-long miners' strike that pitted Prime Minister Margaret Thatcher against the once-powerful unions. Domestic production is still moribund, but in the first nine months of 2012, imports of U.S. coal were up 73 percent from the same period in 2011.

The few remaining domestic coal mines say they can't compete, and newspaper headlines have harped on the irony.

"The future looks a bit gloomy," said David Brewer, director general of the Confederation of U.K. Coal Producers.

Consumption of coal also has leapt in Spain and Italy, with much of it supplied by the United States. That comes despite extensive efforts to harness Spain's sun and Italy's wind in the name of power production. Consumers, slammed by sky-high unemployment, have been particularly sensitive to energy prices.

U.S. shift to natural gas

The abundance of American coal on international markets has been an unintentional side effect of the rapid rise of new drilling techniques for natural gas in the United States. Hydraulic fracturing, or “fracking,” has opened up new reserves so vast that the United States will soon become a net natural gas exporter, slashing the country’s reliance on costly oil imports. U.S. manufacturers are looking with glee at cheaper natural gas prices. And because natural gas is cleaner than coal, U.S. greenhouse gas emissions from electricity generation have dropped to their lowest levels since 1992.

Now, U.S. coal is spreading around the world instead, pushing down global prices. In Europe, that has raised fears among environmentalists that the cheap natural gas in the United States has simply led to higher overall fossil fuel consumption.

One big part of the problem, experts and officials say, is Europe’s cap-and-trade system, which aims to reduce European Union-wide industrial greenhouse gas emissions by 20 percent by 2020. The system is the centerpiece of Europe’s green policies. But the program, which charges industries for permits to emit greenhouse gases, no longer serves as a major disincentive to pollute. Industrial production fell dramatically during the economic crisis, so overall greenhouse gas emissions remain well underneath the cap, and they are still falling. The price per ton of carbon emissions is barely more than a tenth of its 2008 peak. Energy companies, who must plan decades in advance, have shied away from investing in gas-fired power plants because they are not profitable in comparison to coal.

Europe’s coal use might soon taper off, some experts say. And European lawmakers are trying to prop up the cap-and-trade system by setting more ambitious targets for 2025 and 2030. That would quickly send the price of permits up and make coal less competitive with greener forms of energy.

“The higher the price is for carbon, the worse the business case is for coal, and the better it is for gas,” said Hubertus Bardt, an energy expert at the Cologne Institute for Economic Research.

In addition, American mines might cut back on their production because of the lower prices, thus tightening the global supply and making coal less competitive in comparison to other energy sources, according to analysts.

For now, confronted with a glut of newly available fossil fuel, environmentalists are trying to decide whether it’s best to try to keep it underground.

“What we want to achieve is a reduction in the total quantities of the emissions of greenhouse gases,” said John Broderick, a research fellow at the Tyndall Center for Climate Change Research in Manchester, England. “If we’re serious about this, we would be looking to disincentivize the extraction of fossil fuels.”

Petra Krischok in Jaenschwalde, Germany, and Eliza Mackintosh in London contributed to this report.

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Milking the budget

Even in times of austerity, Europe spends too much subsidising rich farmers

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WHEN Charles de Gaulle rejected Britain's bid to enter the then European Economic Community (EEC) in the 1960s, one reason he gave was the incompatibility of its farming policies. Britain was a trading nation that fed itself mainly by importing cheap food from across the world, said the general. France and its continental partners ate what they produced at home.

Contrasting attitudes to farming have dogged the European project at least since Britain joined in 1973, through budget rows and wider clashes between protectionists and free-traders. As European Union leaders began their latest budget fight at a summit on November 22nd, one thing was certain: the EU will go on spending disproportionate sums on farmers. Yet, at a time of harsh domestic austerity, it can ill-afford the extravagance of the common agricultural policy (CAP). Worse, the CAP favours big producers over small ones, and rich western countries over poor eastern ones.

The EU still spends some 40% of its budget on agriculture, an industry that generates less than 2% of GDP and employs less than 5% of the workforce. No other group of workers gets such coddling. Steel, coal and shipyard workers lost their jobs *en masse* when uncompetitive industries slimmed down; car workers are now following suit. Yet rural peasants must be preserved.

Why such largesse? Eurocrats point out that the CAP is one of the few entirely Europeanised areas of spending. It may take a big chunk of money in a modest EU budget, but it is still tiny as a share of overall public spending in the EU: about 0.4% of GDP. Yet EU governments (and non-EU ones, too: Norway and Switzerland are even more egregious) seem fearful of their obstreperous farm lobbies. At a deeper level, farming evokes memories of ancestral villages, rural landscapes and national identities expressed through food. De Gaulle himself once asked: "How can you govern a country which has 246 varieties of cheese?"

The CAP was born, in part, out of a wish to boost food production after the second world war. The creation of the common market meant that Germany could freely sell industrial goods across borders, so France wanted to

export its agricultural bounty. The CAP was also a transfer system from Germany to France, a hidden form of war reparations. Producers benefited at the expense of consumers through guaranteed high prices for farmers, buttressed by high tariffs. By the 1980s the EEC had butter mountains and wine lakes that had to be paid for, stored and often dumped on the global market. Britain got little from the CAP, which absorbed almost 80% of the EEC budget, driving Margaret Thatcher to secure a permanent rebate on the country's net contribution in the early 1980s.

Over the years the CAP has declined as a share of EU spending, and moved from price support to paying farmers directly (on occasion, to leave some land fallow). Reforms have tried to make farmers respond to market prices, not subsidies. Money has shifted from unconditional payments under "pillar one" of the CAP to incentives for rural development under "pillar two". Subsidies are now justified to support public benefits (maintaining the landscape, looking after the environment) and to reduce rural poverty, as well as guarantee food security and quality.

Yet many of these arguments are still bogus. Most of the money still goes to pillar one, and it is based on historical levels of production. Big money continues to go to big landowners, who often use intensive, soil-degrading and water-polluting methods, rather than to struggling hill farmers making goat's cheese. And to protect western farmers, subsidies for eastern Europe are being phased in only gradually, with low ceilings. A hectare of land in Belgium or the Netherlands still earns three or four times as much support as a hectare in the Baltics.

Even where farmers are struggling, it is hard to justify treating them so differently from other workers whose livelihoods are precarious or under threat. They should be helped to adjust, not supported indefinitely. A more sensible EU policy would end direct subsidies and limit the EU's role to policing common environmental, food-quality and animal-welfare standards. Brussels could help finance research into farming or non-farming rural employment. But much farm support ought to revert to national level, with strict rules on competition and state aid to prevent too much of a free-for-all. If governments (and voters) want cows with bells to graze on flowering pastures, or stipends for poor farmers so they can live on marginal land, they should surely pay themselves through targeted assistance.

Cow-ardly

Sadly, the pressure for even modest reforms, let alone a root-and-branch liberalisation, has dissipated. The latest compromise budget proposal presented by Herman Van Rompuy, president of the European Council, cuts more from pillar two than pillar one. It removes the European Commission's proposed cap on large payouts. And it stretches out the timetable to equalise (partly) payments per hectare.

Even the worst crisis in the EU's history, it seems, is not sufficient incentive to curb the CAP. Most attention is focused on saving the euro. With anti-austerity protesters on the streets, nobody wants to upset farmers. For some in southern Europe losing farm aid would strain public finances. France is becoming a net contributor to the CAP, yet still staunchly defends farm subsidies. Britain has largely given up on reform—perhaps because the Tories are friendlier to farmers, or because their priority is to cut the size of the EU budget and defend their rebate. And there is no point in looking to the European Commission. It may be an engine of liberalisation, but it is weak and unpopular. It can hardly antagonise one of the few groups with a reason to support it.

Cameron's budget blinder

Feb 8th 2013, 19:40 by Charlemagne



EVEN the French say so: David Cameron played a near-perfect match. “He is a real negotiator; very, very tenacious,” declared a senior French official amid the brutal bargaining over the EU’s seven-yearly budget that dragged on for a whole night and a day. When it was all over, Mr Cameron was none too shy about trumpeting his success:

The British public can be proud that we have cut the seven-year credit card for the European Union for the first time ever. And as a result the EU’s seven-year budget will cost less than 1% of Europe’s gross national income. That is also for the first time ever... I also said that I would also never, in any way, entertain any further changes to the British rebate. Attempts to undermine the rebate were made again and again at almost every meeting there has been on the subject over the last few months. As ever, it was attacked from every side. But I fought off these attempts. The British rebate is safe.

While every British prime minister had conceded an increase in the budget, Mr Cameron had brought it down. While Tony Blair had surrendered part of the British rebate in 2005, Mr Cameron had preserved it. And he did not even find himself battling alone.

In truth, Britain entered the negotiation over the trillion-euro budget with several advantages. First, as leader of the most Eurosceptic of the EU’s member states, Mr Cameron cared least about the EU being seen to fail over the budget. That is not true of Germany, France and many others, who cannot appear too unashamed in sacrificing the cause of the European Union for narrow national interests.

Second, Britain’s permanent rebate is firmly guaranteed since Mrs Thatcher swung her handbag at Fontainebleau in 1984. Several of the EU’s other net contributors feared that, without a deal, their own temporary rebates would expire. “That made them more amenable to seeking an agreement,” explained France’s president, François Hollande.

Third, net contributors from eastern Europe faced budgetary chaos in planning long-term projects if, in the case of stalemate, the EU was forced to live on yearly budgets.

Fourth, and perhaps most powerful, is the fact that Germany’s chancellor, Angela Merkel, to a large extent backed Mr Cameron. She did not want to isolate the prime minister as she did in December 2011, over the vote for the fiscal compact, a treaty to tighten fiscal discipline in the euro zone. The budget ended up where Germany had always wanted it: 1% of GNI.

The numbers speak for themselves. In real terms (2011 euros), the so-called multi-annual financial framework, worth a cumulative €960 billion for the seven years from 2014 to 2020, is about 3% lower than spending for the current 2007-2013 period. It is about 12% lower than the budget first presented by the European Commission.

The British were helped by the fact that the EU budget, in keeping with French tradition, is expressed in two slightly different sets of figures: “commitments” (the amount of money that the EU can commit to spend every year) and “payments” (the amount that it may disburse annually). The British negotiated in terms of payments while everybody else bargained in commitments. By widening the gap between the two, big spenders could claim to have won a bit more, while Britain could claim victory. In terms of payments, the real-terms cut was nearly 4%.

All this should ensure relatively easy passage of the budget in the House of Commons. As James Kirkup of the *Daily Telegraph* puts it in his blog, "as triumphs go, this one is looking pretty triumphant". After his carefully-tuned speech ([here](#)) setting out his case for reform of the EU and for a referendum on British membership by 2017, the budget deal caps a successful period in Mr Cameron's European policy that had—and still has—much potential to go wrong (see my column in [October](#)).

All this said, the net contribution (the difference between what a country pays in to the EU budget and what it receives back) of Britain and other rich countries is likely to increase for two reasons: the grossly unequal farm subsidies given to western European farmers, compared with those from ex-communist states, is being gradually levelled out; and payments to poorer regions of richer countries are also being reduced.

A bigger criticism is that Mr Cameron gave priority to the size of the budget rather than its quality.

In a union where each of the 27 members wields a veto, and each must claim victory (see Open Europe's [compilation](#) of declarations), even a successful budget negotiation produces two effects: great confusion over figures and immobilism. The old joke is that the French get the Common Agricultural Policy (CAP), the British get to keep the rebate and the Germans get to pay the bill. Little has changed since then, except that these days one must add the fact that Poland also gets to keep its cohesion funds.

Any change in the budget is incremental at best. The CAP, which once consumed almost 80% of the EU budget, has declined to just over 40% of the budget in 2007-2013. It will continue to taper down slowly, to just under 38% over 2014-2020 (see my [column](#) on the CAP).

By contrast the new areas of spending that are more likely to promote growth—research & development, higher-education exchanges under the Erasmus programme and infrastructure projects of the Connecting Europe Facility (see my [column](#) on EU infrastructure)—will increase by about 37%. But this is a large increase on a comparatively small amount. As a share of overall spending, these growth-friendly programmes increase from 9% to 13% of the budget. In other words, the EU budget remains a relic of a wasteful the past.

Before a deal could be clinched, several ticklish problems had to be settled. Denmark demanded and got a rebate. Austria will see its rebate reduced, but not entirely; the Netherlands fought to keep its own reduction. Italy had to be squared too, because its net contribution has been increasing in recent years. Given that it has no rebate, spending allocations had to be adjusted to bring it in to line. More broadly, southern European countries struggling with recession were treated leniently.

The question now is whether there will be a veto from the 28th negotiating partner—the European Parliament. It tends to measure the success of Europe by the size of the budget, and wields greater power since the 2009 Lisbon treaty. An absolute majority of MEPs must approve the budget, which sets a high bar. Leading figures have threatened to vote down the budget, a fact that Mr Hollande tried to exploit in negotiations, and are now threatening to do so in a secret ballot, which increases the scope for troublemakers. Will the European Parliament dare throw the budget into uncertainty, potentially until after the German election this autumn (and maybe beyond)?

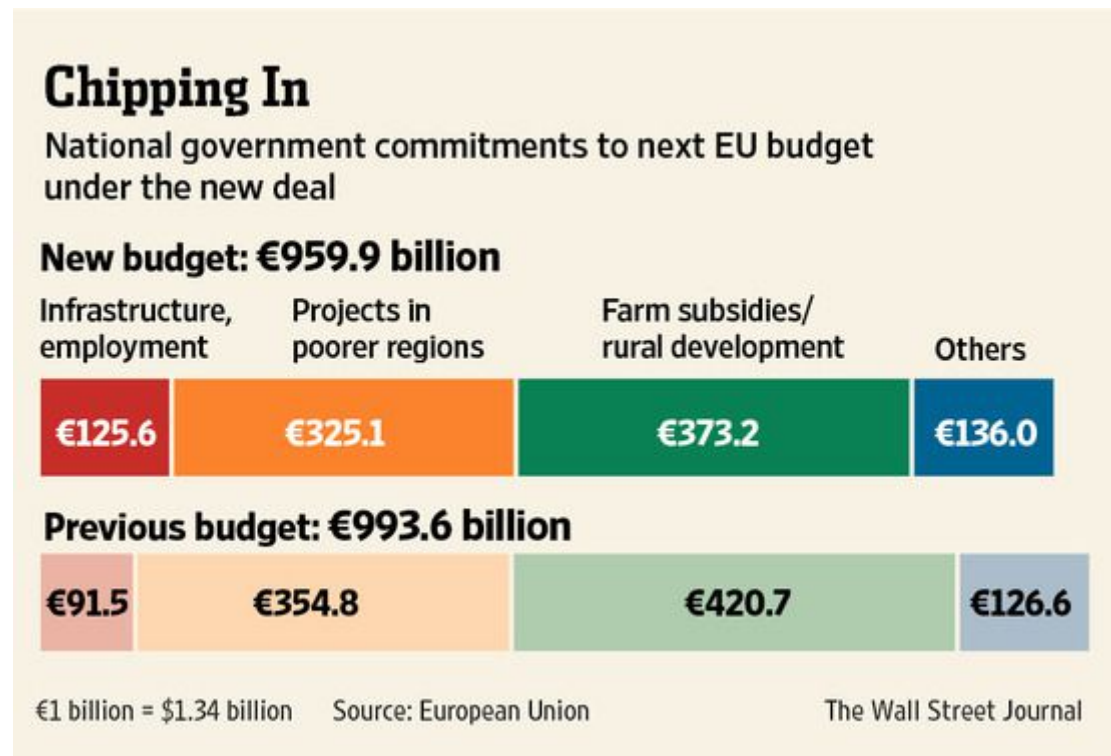
There is a sense of pointlessness after the sleepless night, the brinkmanship and the genuine anger. The EU budget accounts of just 1% of the EU's national wealth, and 2% of governments' spending. It matters most to

smaller, poorer countries for whom EU transfers offer a real economic boost (more than 4% of GDP for some). But for the big, wealthy states that are the main contestants in the budget fight, the net contributions amount to about 0.2%-0.3% of GDP (see page 102 of this [report](#)). By the end of the battle, the amounts in dispute were even smaller: a billion here and there, divided over seven years and among 27 members.

Back home, prime ministers might not even be called upon to adjudicate the allocation of such fractions of fractions, let alone be made to lose sleep over them. In Brussels, strangely, such issues suddenly become matters of political life and death.

(Photo credit: AFP)

http://online.wsj.com/article/SB10001424127887324590904578291062343274292.html?mod=WSJEUROPE_hpp_LEFTTopWhatNews



Budget communautaire : accord conclu entre les dirigeants de l'Union européenne

08/02 18:56 CET

69,13

[Lecture/Arrêt Vidéo](#)

Les dirigeants de l'Union européenne sont tombés d'accord sur le projet de budget communautaire pour la période 2014-2020.

Ce projet de budget prévoit une enveloppe de crédits d'engagement de quelque 960 milliards d'euros. C'est la première fois que les 27 se mettent d'accord pour un budget en baisse.

“C'est un budget de modération. Nous ne pouvons tout simplement pas ignorer les réalités économiques extrêmement difficiles dont souffre l'Europe. Le budget devait donc être maigre. Pour la première fois, il y a une réduction réelle par rapport au dernier cadre financier pluriannuel”, a expliqué Herman Van Rompuy.

La présidence irlandaise de l'Union européenne, en place jusqu'en juin, va désormais entrer en négociations avec le Parlement. Ce dernier doit se prononcer en juillet.

Le président de l'Union européenne a déjà appelé le Parlement à prendre ses responsabilités et à ne pas voter contre cet accord obtenu à l'arraché.

<http://www.euronews.com/2013/02/08/eu-leaders-seal-historic-budget-cut/>

EU leaders seal historic budget cut

08/02 18:52 CET [Play/stop Video](#)

EU leaders have agreed to cut the bloc's spending for the first time in its history.

The headline figure of 960 billion euros is down by three percent from the last seven-year budget.

But member states have actually pledged less than that in payments.

Guy Verhofstadt, a former Belgian prime minister turned MEP and leader of the liberals in the European Parliament, said this budget would result in a 52 billion euro deficit.

“Heads of government say we must fix our public finances, pass a Stability pact (an EU rule on spending) and rein in our deficits,” he told euronews.

“But now we'll have a deficit at the European level as a means of fixing their national problems.”

The largest parts of the budget remain agricultural and regional funds.

But EU officials say cash spent on farming will be gradually reduced over the seven year period to 28 percent of the total, from 39 percent now.

Ten billion euros will be shaved off future infrastructure projects, while the EU administration will be asked to find 1.5 billion euros of savings.

Six billion euros has been set aside to help countries where youth unemployment is more than 25 percent.

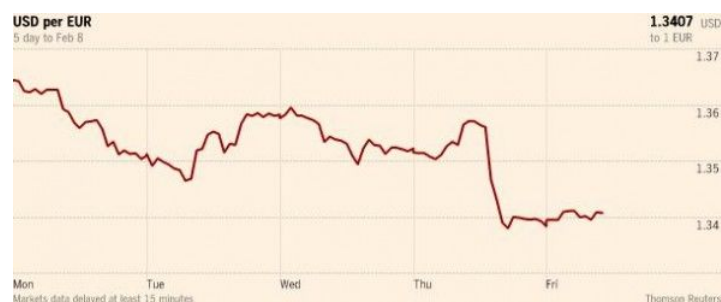
The Draghi Rorschach test

[David Keohane](#) | Feb 08 10:39 | [Comment](#) | [Share](#)

69,14

“Oh, Hollande...” said Mario Draghi as the rest of us wondered if he had or hadn’t entered the supposed currency wars. Or if, in fact, the question was redundant.

The euro’s dive on Thursday was impressive and clearly the result of ECB president Draghi’s comments after the ECB’s rate setting meeting. But whether it was justified or not is very much contested.



First, the “nah, nothing to see here” camp where Commerzbank pulled no punches:

Anyone going on about this issue should read Draghi’s reply to the matter. Obviously exchange rate developments can affect the ECB’s growth and inflation outlook and therefore indirectly also its monetary policy. A monetary policy that pursues an inflation target indirectly also has a dampening effect on exchange rate developments. However, that is nothing new. Anyone who was not aware of that should never have been working on an FX trading floor.

And Bank of New York Mellon’s Simon Derrick seemed to agree:

We can think of plenty of reasons in the longer term to sell the EUR (uninspiring growth prospects, Italy/Spain/Cyprus risk, China gradually allowing greater flexibility for the CNY and so on); but Mario Draghi’s comments on currency matters yesterday do not count amongst them.

It’s best to take a step back and look at what Draghi actually said before making the counterargument.

First, from [the statement](#) (it’s worth doing a ctrl-f for “accommodative”, comparing [January’s statement](#) and Q&A to February’s too – 3 versus 10):

Risks to the outlook for price developments continue to be seen as broadly balanced over the medium term, with upside risks relating to higher administered prices and indirect taxes, as well as higher oil prices, and downside risks stemming from weaker economic activity and, more recently, the appreciation of the euro exchange rate.

Then in response to direct questions:

On the exchange rate, the first thing is that the appreciation is, in a sense, a sign of the return of confidence in the euro. But net of the return of confidence, exchange rates should reflect fundamentals and, by and large, both the nominal and the real effective exchange rates are at or around their long-term averages. **However, as I said last time, the exchange rate is not a policy target, but it is important for growth and price stability, and we will certainly want to see whether the appreciation is sustained and will alter our risk assessment as far as price stability is concerned.** In any event, next month we will have the new projections. In the meantime, we will maintain our accommodative monetary policy stance and closely monitor money market developments.

About President Hollande.

I think we should always remember that the ECB is independent. We have heard all over the world now those talking up and talking down currencies. The ultimate test of the effectiveness of this strategy will be to see what markets make of these statements.

The first quote may appear innocuous but it's unusual for Draghi to make reference to the euro in his main statement. It shows he is clearly aware of the impact of a stronger euro on the eurozone economy — Morgan Stanley, for example, estimate that a 10 per cent rise in the trade-weighted value of the euro will reduce the eurozone GDP by 0.5 per cent in the first year. The euro has already risen by 15 per cent from the lows of 2012 say MS.

Then there were the unsurprising references to LTRO repayments and Eonia. Draghi did his very best to dampen expectations that excess liquidity would fall too quickly and push Eonia up in the near-term.

He urged banks to only repay if their funding was resilient to shocks and if they were able to make loans to the real economy. He also said that the ECB's internal analysis suggested that excess liquidity would likely remain "well above" €200bn* after repayments of the second LTRO begin, and that Eonia fixings have recently been lifted a bit by technical factors.

(*We've [written before](#) about that €200bn level — historical analysis suggests that Eonia starts moving higher as excess liquidity falls below €200bn.)

As JP Morgan noted, one important channel through which overly fast LTRO repayments and their impact on Eonia can hurt the economy is via their impact on the currency. So, while Draghi may view the stronger euro as a by-product of "positive contagion", there are enough clues here to believe he is nervous about the speed of the single currency's rise. That makes next months "new projections" and the ECB's reactions hard to predict... which is the point, naturally.

All in, this was a fine performance. He gave enough of a nod to the currency wars to talk down the euro without actually getting involved. He essentially formalised exchange risk without actually doing anything about it — it's an FX version of the OMT. We're back to inflation watching.

It's also maybe a glimpse at what the currency wars really are — central bankers and politicians talking down currencies while keeping their eyes on multiple moving parts.

As [Wonkblog](#) put it:

In other words, until we see evidence that the central bankers are genuinely engaged in competitive devaluations and are willing to allow inflation well above their historical targets to get it, there's not a whole lot to worry about. Rather, it is a bunch of nations trying to set their monetary policy in ways that make sense given the circumstances they face—low inflation and high unemployment.

If this is a war, it is one with few casualties, quite a few potential benefits, and one in which the generals are enjoying good wine together six times a year.

EU budget: A convoluted compromise

8 February 2013

Presseurop

69,16

Trouw, Le Monde, El País, Die Welt



[Burki](#)

The leaders of the European Union have managed to save face thanks to the Byzantine wording of the compromise agreement they have found for the 2014-2020 EU budget. The austerity measures adopted, however, could be difficult to implement, notes the European press.

It took a delayed summit, overnight negotiations and numerous discussions in which [national interests](#) overshadowed all other considerations but the 27 heads of State and government have found [a compromise agreement](#) over the EU budget for 2014-2020.

This summit can be summed up as "bartering and bargain-hunting," says Dutch daily [Trouw](#). The pressure to reach consensus is high, the paper says, but the leaders are concerned about the explanations they will have to furnish back home:

deVerdoping
Trouw

They want to find a common accord because the credibility of the Union is at stake. In addition, this long-term budget is a necessary condition for investment in infrastructure and research projects. Every one fears this is the last chance before 2014. Between now and then, there will have been [legislative] elections in Italy and the United Kingdom as well as a [local ballot] in Germany. The leaders do not want to have to admit back home that they gave up too much during the horse-trading.

Given the context, in order to "end their budgetary quarrel, Europeans decided to make a subtle difference between spending commitments and actual disbursement," explains French daily [Le Monde](#)

Le Monde

Europeans are distinguishing more than ever between commitment appropriations [legal pledges to provide finance, provided that certain conditions are fulfilled] - reduced to €960bn - and payment appropriations [bank transfers to the beneficiaries] totalling €908.4bn. This time, the gap [...] is taking on exceptional proportions.

And, for the first time in the history of European construction, both are below the level of the 2007-2013 period.

The result of the summit could well be "a victory for the United Kingdom and for net donors," [says Spanish daily El País](#). The paper calls the compromise presented on February 7 by the President of the European Council, Herman Van Rompuy, "a creative accounting game" and regretted that –

EL PAÍS

the months since the previous summit did not serve to ease positions. On the contrary, everyone is digging in their heels. Pro-European intentions have disappeared and each country is defending its interests tooth and nail.

From Berlin, *Die Welt* [deems](#) the result "not too bad, given the options." Historically hostile to an increase of the EU budget using tax-payer money, *Die Welt* hails, in particular, slashing at the "dinosaur at the core of EU subsidies," aid to agriculture.

WELT ONLINE

The decades-old attempt to harmonise quality of life within the EU is now envisaged more as a desire to provide opportunities for entrepreneurs rather than in preserving the entitlements of local politicians.

But to be implemented, [warns Le Monde](#), the compromise must be approved by the European Parliament, which has yet to be convinced:

Le Monde

Martin Schulz, the president, takes exception with the austerity imposed by [British Prime Minister] David Cameron. He may criticise the large gap between the commitments and the payments agreed. He argues that this system generates a deficit because the actual payments may not find financing in the years to come.

Jens Weidmann

"Croire que les eurobonds résoudre la crise est une illusion"

Le Monde.fr | 25.05.2012 à 10h17 • Mis à jour le 25.05.2012 à 12h54 Par Clément Lacombe et Frédéric Lemaître - Francfort, envoyés spéciaux

69,18



***Jens Weidmann**, 44 ans, préside la Bundesbank, la banque centrale allemande. A la tête d'une institution éminemment respectée outre-Rhin, gardienne de l'orthodoxie monétaire, ce membre-clé du conseil de la Banque centrale européenne (BCE) livre sa vision de la crise de la zone euro.*

L'**Europe** discute de plus en plus d'une relance de la croissance. Ce débat est-il justifié ?

La croissance est toujours une bonne chose. Mais être favorable à la croissance, c'est comme être partisan de la paix dans le monde. Le vrai débat, c'est quel chemin pour une croissance durable ? La croissance a toujours été un pilier des programmes d'ajustement européens et passe par des réformes structurelles. Un feu de paille conjoncturel en s'endettant ne mène pas à la croissance souhaitée. En fait, je m'interroge sur ce que cachent ces discussions. Veut-on dévier de ce qui a été décidé ? Dans ce cas, ce serait dangereux.

Paris et Bruxelles poussent à la création de "**project bonds**", ces obligations européennes pour **financer** des infrastructures. Qu'en pensez-vous ?

Une communautarisation de dettes n'est pas l'outil adapté pour **favoriser** la croissance : cela poserait des problèmes tant légaux qu'économiques. Je ne crois pas qu'on aura du succès en essayant de résoudre la crise de la dette avec encore plus de dette en dehors des budgets réguliers. Encore une fois, la croissance passe par des réformes structurelles.

Ce débat m'irrite un peu. Chaque mois, des **idées** géniales surgissent pour **contrer** la crise, avant de disparaître le mois d'après. En ce moment, ce sont les *project bonds*... Outre les problèmes de financement, je ne suis pas sûr que ce soit avant tout un manque d'infrastructures qui freine la croissance dans ces pays. Je n'ai pas encore vu d'analyse sérieuse à ce sujet...

Ce serait une relance de type keynésienne ?

Il serait plus honnête d'**aborder** la question sous ce terme. Mais une relance keynésienne est-elle une réponse adéquate ? A part un manque de compétitivité dans certains pays, le principal problème des pays européens reste l'endettement des Etats et il ne faut pas se **lancer** dans un nouveau cycle de dépenses publiques. Les pays doivent d'abord **regagner** la confiance des marchés, **retrouver** de la crédibilité : il doivent **mettre** en œuvre les réformes annoncées et non les **retarder** sans cesse.

C'est donc un non définitif à toute [forme](#) d'[euro-obligations](#), ces emprunts émis au niveau européen et pas national ?

Croire que les eurobonds résoudre la crise actuelle est une illusion. Ce ne peut être que l'aboutissement d'un processus long, qui nécessite entre autres de [changer](#) la constitution dans plusieurs Etats, de [modifier](#) les traités, d'[avoir](#) davantage d'union budgétaire... On ne confie pas sa carte de crédit à quelqu'un si on n'a pas la possibilité de contrôler ses dépenses.

La communautarisation de la dette n'est qu'un élément possible de la face d'une médaille dont l'autre côté serait le fédéralisme. Les gouvernements qui y sont favorables négligent ce débat. Même dans les pays où les gouvernements réclament les *eurobonds*, comme en France, je ne constate ni débat public ni soutien de la [population](#) au transfert de souveraineté devant l'[accompagner](#). Mais c'est justement ce débat qu'il nous faut [avoir](#).

Peut-on [sortir](#) de la [crise de l'euro](#) sans saut fédéral ?

Depuis l'automne 2011, nous réclamons, à la Bundesbank, un cadre concluant et davantage de clarté sur l'[avenir](#) de l'union et de l'intégration européenne. Nous avons nous-mêmes esquissé deux chemins possibles.

Mais y a-t-il une véritable volonté [politique](#) de [franchir](#) ce pas du fédéralisme ? Ma conviction est qu'une telle clarté nous aiderait. Les investisseurs ne sont pas seulement inquiets de la situation de tel ou tel pays, mais aussi du fonctionnement de la zone euro dans son ensemble.

Vous avez parlé de [regagner](#) la confiance des marchés, mais que [faire](#) pour [regagner](#) celle des populations ?

Il n'y a pas de solution facile, il faut [trouver](#) l'équilibre entre les nécessités économiques et les limites politiques. Ici on ne doit pas seulement [penser](#) aux pays qui reçoivent de l'[aide](#), mais aussi aux pays qui en donnent. Les ajustements dans les pays sous programme sont nécessaires : ils peuvent être durs, mais ils permettent ensuite de se [relever](#), de ne pas dépendre infiniment des autres... Dans le cadre présent, nous ne devons pas [entrer](#) dans un processus d'union de transfert, où les dettes d'un pays seraient payées par les autres.

Notre rôle à nous, les banques centrales, est de [garantir](#) la stabilité des prix dans la zone euro. Je suis convaincu que l'[avenir](#) de l'euro est fondamentalement lié au soutien de la population et que ce soutien dépend de la confiance des Européens dans la stabilité de leur monnaie.

L'euro ne fait-il pas partie du problème, empêchant par exemple la [Grèce](#) de dévaluer ?

Les crises des pays périphériques n'ont pas de lien direct avec l'euro, mais découlent d'importants problèmes structurels, anciens et non traités. La dévaluation, c'est un "*quick fix*", un dopant à effets éphémères, qui ne résout pas les problèmes structurels. On l'a vu dans le passé qu'une dévaluation ne guérit pas durablement les maux d'une économie.

La crise grecque menace-t-elle l'existence même de l'euro ?

La gestion de cette crise influence fondamentalement l'[avenir](#) de l'union économique et monétaire. Nous allons [voir](#) si les accords sur lesquels repose la solidarité des autres pays sont respectés. Le cas échéant, l'aide devrait être arrêtée.

Sinon, les accords n'auraient plus de crédibilité, car nous ferions des [transferts](#) non conditionnés. Nous avons un accord avec la Grèce qui prévoit des ajustements en échange de l'aide financière. J'attends que ce programme soit respecté. La décision dépend maintenant des Grecs.

Envisagez-vous et vous préparez-vous à une sortie de la Grèce de la zone euro ?

Cette question m'est très souvent posée. J'ai pour principe de ne jamais y répondre.

L'[Allemagne](#) est-elle un modèle pour les autres pays de la zone euro ? Ou au contraire un contre-modèle, comme l'affirment les [Prix Nobel](#) d'économie [Paul Krugman](#) et [Josef Stiglitz](#), pour qui les excédents commerciaux allemands sont à l'origine des problèmes de ses voisins ?

Il serait simpliste d'ériger l'Allemagne en modèle, mais on peut [apprendre](#) les uns des autres. La réunification allemande avait révélé des faiblesses de l'économie et l'Allemagne a été perçue comme l'homme malade de l'Europe. Cela a conduit à un long et douloureux processus d'ajustement. Mais celui-ci a permis à l'Allemagne d'[affronter](#) la crise ayant débuté en 2008 en assez bonne forme. Le marché du travail avait été réformé et assoupli, la situation des comptes sociaux a été améliorée, entre autres en prolongeant la durée de la vie active ...

Concernant les critiques américaines, il est vrai que les déséquilibres au sein de la zone euro doivent être observés avec attention. Mais les excédents allemands sont tirés par les forces du marché ; c'est au marché de rééquilibrer cette situation. Et c'est déjà en cours. D'ailleurs, nous ne sommes pas dans un système mécanique où l'on pourrait [redistribuer](#) une partie des excédents allemands à des pays européens déficitaires. [Vouloir affaiblir](#) l'économie allemande, c'est [faire](#) abstraction de nos concurrents communs, notamment la [Chine](#) et les Etats-Unis. L'Europe n'est pas une île...

Le ministre des [finances Wolfgang Schäuble](#) s'est dit favorable à ce que les salaires augmentent davantage en Allemagne que dans le reste dans l'Union...

Quand l'Allemagne était vue comme l'homme malade de l'Europe, l'inflation allemande était en sous la moyenne européenne. Maintenant, la situation est tout autre. Le marché du travail allemand ne s'est jamais aussi bien porté depuis vingt ans. Dans ce contexte, il n'est pas anormal que l'on enregistre des augmentations de salaire plus fortes qu'auparavant.

Le mandat de la BCE impose de [maintenir](#) l'inflation sous les 2 % mais tout en restant proche de ce chiffre, dans l'ensemble de la zone euro. Cela veut [dire](#) qu'il peut y [avoir](#) une période où l'Allemagne se retrouve en dessus de la moyenne, mais cela ne concerne que les décimales. Il est crucial que les anticipations d'inflation restent fermement ancrées dans chaque pays de la zone euro.

François Hollande souhaiterait que la BCE soutienne davantage la croissance. Pouvez-vous [envisager](#) une évolution du mandat de la BCE ?

Le mandat est profondément enraciné et découle des leçons tirées dans les années 1970 et 1980. C'est quand elle assure la stabilité des prix qu'une banque centrale contribue le plus à une croissance durable. C'est justement pour cette raison que les banques centrales sont indépendantes et sont tenues par un mandat très clair.

Depuis le début de la [crise financière](#), le bilan de l'eurosystème a plus que doublé, l'institution a pris des risques considérables pour éviter un effondrement du système. Nous sommes arrivés à la limite de notre mandat, notamment avec des mesures non conventionnelles. A la fin ce sont des risques pour les contribuables, notamment en France et en Allemagne.

La question est : quand franchit-on la ligne rouge entre politique monétaire et politique budgétaire ? Les responsables politiques comptent sur nous, car nous ne répondons pas devant les électeurs, mais c'est justement pour cette raison que notre mandat est limité et qu'il faut s'y [tenir](#). Les gouvernements doivent [assumer](#) leurs responsabilités, ne pas les [sous-traiter](#) à la politique monétaire.

Outre-Atlantique, certains jugent que la BCE devrait [acheter](#) plus de dette d'Etat à l'instar de la Réserve fédérale américaine [Fed]. Mais nous ne sommes pas un Etat fédéral et la Fed n'achète pas de dette californienne ou de la Floride.

Paris pousse pour que le futur Mécanisme européen de stabilité ait une licence bancaire, ce qui lui permettrait d'accéder aux liquidités de la BCE. Pourquoi y êtes-vous opposé ?

Ma position est claire. D'abord parce que cela reviendrait à [soumettre](#) la politique monétaire à la politique budgétaire, ce qui nuirait grandement à la crédibilité de la BCE. Ensuite parce que le financement monétaire des Etats est, pour de bonnes raisons, formellement interdit par les traités.

Quelles ont été les plus grosses erreurs faites avant la crise ?

Les déséquilibres au sein de l'[Union européenne](#) ont été trop longtemps ignorés. Il y a aussi eu des déficiences comme l'assouplissement du pacte de stabilité par la France et l'Allemagne en 2003. Pendant longtemps, nous n'avons pas non plus voulu nous ingérer dans les statistiques nationales ; il faut pourtant plus de transparence. Certes, les risques dans le système financier ont été sous-estimés. C'est pourquoi nous devons améliorer la réglementation et la supervision des [marchés financiers](#). Ce travail est en cours.

En décembre puis février, la BCE a injecté quelque 1 000 milliards d'euros dans le système via des prêts aux banques d'une durée inédite de trois ans. Quel bilan faites-vous de ces opérations, au moment où, sur les marchés, certains en réclament un troisième ?

Les marchés financiers changent de vision toutes les deux semaines. Un jour ils demandent toujours plus, l'autre jour ils se plaignent des conséquences de ce qu'ils ont obtenu. Un banquier central doit [avoir](#) sa propre boussole.

Ces prêts ont permis de [gagner](#) du temps, mais ne résolvent pas les causes structurelles de la crise. C'est comme de la morphine : ils soulagent la douleur, mais ne guérissent pas la maladie. Ils peuvent même [avoir](#) des effets secondaires, comme [retarder](#) les ajustements du secteur bancaire par exemple.

Clément Lacombe et Frédéric Lemaître - Francfort, envoyés spéciaux

Manifestation pro-islamiste et anti-française à Tunis

Par [lefigaro.fr](http://www.lefigaro.fr) Publié le 09/02/2013 à 17:38 [Réactions](#) (58)

69,22



À Tunis, samedi. Crédits photo : ZOUBEIR SOUISSI/REUTERS

Plus de 3000 personnes ont manifesté dans le centre de la capitale tunisienne lors d'un rassemblement à l'appel du parti islamiste au pouvoir Ennahda.

«**France dégage**» et «Le peuple veut protéger la légitimité» du pouvoir en place, ont crié les centaines de militants (sans doute 3000) venus défilé samedi après-midi dans le centre de Tunis, [à l'appel du parti islamiste au pouvoir Ennahda](#). Ils ont défilé sur l'avenue Habib Bourguiba, axe névralgique du centre de la capitale où se trouve aussi l'ambassade de France.

Des militants salafistes se trouvaient dans la foule, brandissant leurs bannières noires et des slogans appelant à l'unité des différents courants islamistes. La manifestation à l'appel des jeunes d'Ennahda a débuté en début d'après-midi avec pour mots d'ordre «la défense de la légitimité de l'Assemblée nationale constituante» (ANC) et la lutte «contre la violence» politique **et «l'ingérence française»**. La référence à l'ANC vise le premier ministre Hamadi Jebali, pourtant numéro 2 d'Ennahda, qui a répété vendredi se tenir à sa «décision de former un gouvernement de technocrates», si besoin sans «l'aval de l'Assemblée nationale constituante».

«La Tunisie ne sera plus jamais une terre de colonisation»

Les manifestants brandissaient aussi de nombreuses pancartes en français: **«France ça suffit! La Tunisie ne sera plus jamais une terre de colonisation»**. En effet, le rassemblement visait **aussi à condamner «l'ingérence française», à la suite de propos du ministre de l'Intérieur, Manuel Valls, qui a dénoncé cette semaine un «fascisme islamiste qui monte un peu partout»** après l'assassinat mercredi de l'opposant Chokri Belaïd dont les proches accusent Ennahda.

«Nous devons soutenir les démocrates pour que les valeurs de la révolution du jasmin ne soient pas trahies», avait estimé le ministre sur Europe 1.

Le ministre tunisien des Affaires étrangères et le chef du gouvernement tunisien avaient signifié vendredi leur mécontentement après ces déclarations.

La France s'est abstenue de commenter pour l'heure la tenue de cette manifestation.

(avec AFP)

La France accusée d'ingérence en Tunisie

LE MONDE | 09.02.2013 à 11h32 • Mis à jour le 09.02.2013 à 15h28

Par Isabelle Mandraud - Tunis Envoyée spéciale

69,23

Au même moment que les funérailles de l'opposant [Chokri Belaïd](#), l'ambassadeur de France à Tunis, François Gouyette, prenait discrètement, vendredi 8 février, le chemin du siège du gouvernement, convoqué par le premier ministre [Hamadi Jebali](#). Déjà fragilisé par une grave crise [politique](#), l'exécutif tunisien, dominé par le parti islamiste Ennahda, a peu apprécié les commentaires de Manuel Valls, le ministre de l'intérieur français, et l'a fait [savoir](#).

La veille, réagissant sur une radio française au meurtre de Chokri Belaïd, [Manuel Valls](#) avait dénoncé, en citant notamment la [Tunisie](#) et l'[Egypte](#), "un fascisme islamique qui monte un peu partout", non sans [affirmer](#) "garder espoir dans le rendez-vous électoral pour que les forces démocrates et laïques, celles qui portent les valeurs de la révolution, demain, l'emportent". "C'est un enjeu considérable, avait-il ajouté, pas seulement pour la Tunisie, mais pour tout le bassin méditerranéen et donc aussi pour la France."

Ces déclarations sont "inamicales et nuisent aux relations bilatérales entre les deux pays", a fustigé le ministre des [affaires étrangères](#), [Rafik Abdessalem](#), à la sortie de l'entretien.



Pour Tunis, il s'agit d'un nouveau faux pas de la part d'un ministre français, après d'autres, notamment lors du soulèvement contre l'ancien régime lorsque Michèle Alliot-Marie, alors elle-même ministre de l'intérieur, avait proposé le "savoir-faire français" en matière de maintien de l'ordre...

CONTEXTE DE MOINS EN MOINS FAVORABLE À LA FRANCE

Cette nouvelle tension diplomatique intervient dans un contexte de moins en moins favorable à la France, souvent accusée de [vouloir](#) s'ingérer dans [les débats](#) de politique intérieure tunisiens et de [prendre](#) parti pour l'opposition progressiste. A Sousse, vendredi, lors de l'hommage national rendu à Chokri Belaïd, un manifestant brandissait un drapeau français sur lequel était écrit "Sale France, ne touche pas à la Tunisie". Et sur l'avenue Bourguiba, la principale artère de la capitale, une main anonyme avait récemment tracé en grandes lettres à même le sol, "France sioniste".

Parmi les islamistes radicaux, l'intervention française au nord du [Mali](#) a été à l'origine de nouvelles diatribes très antifrançaises sur les [réseaux sociaux](#). Un drapeau tricolore avait d'ailleurs été brûlé par quelques extrémistes, le 14 janvier, lors du deuxième anniversaire de la chute de l'ancien régime. Vendredi, l'ambassade de France était plus protégée que jamais, barricadée et entourée de militaires et de policiers.

Isabelle Mandraud - Tunis Envoyée spéciale

Malgré la réforme de 2010, les retraites vont rester gravement déficitaires

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La **réforme** de 2010 ne suffira pas à rétablir l'équilibre des régimes de retraite. Selon des prévisions du Conseil d'orientation des retraites (COR), qui doivent être publiées mercredi 19 décembre, mais dont *Le Monde* s'est procuré une synthèse, le déficit devrait **atteindre** 18,8 milliards d'euros en 2017, contre 14 milliards en 2011.

La précédente majorité avait décidé en 2010 de **relever** progressivement l'âge minimum légal à 62 ans, déclenchant une vague de contestation massive. Cette réforme devait **permettre** d'**effacer** le déficit des régimes de retraite à l'horizon 2018. Le rapport du COR, qui regroupe l'ensemble des partenaires sociaux, montre clairement que cet objectif ne sera pas atteint, notamment en raison du "*contexte macroéconomique dégradé*".

A l'horizon 2020, le COR prévoit un déficit compris entre 20,8 milliards et 24,9 milliards, en fonction des scénarios économiques. Le système de retraite pourrait toutefois **revenir** à l'équilibre à l'horizon 2040 si le taux de chômage descendait à 4,5 % et si le taux de productivité progressait dans le même temps de 2 % par an. Une perspective qui semble bien incertaine au vu des conditions économiques actuelles. Dans le scénario le plus sombre (taux de chômage à 7 % et croissance de la productivité limitée à 1 % par an), le déficit atteindrait 105 milliards en 2060.

Solde financier du système de retraite Scénario A (4,5% d... Scénario B (4,5 % ...1/220202030204020502060-90-60-30030

RELÈVEMENT DE SIX MOIS SUPPLÉMENTAIRES DE L'ÂGE EFFECTIF DE DÉPART

Pour rétablir les comptes d'ici à 2020, le COR avance plusieurs pistes, parmi lesquelles le gouvernement devra **trancher**. Le COR estime ainsi qu'en plus du relèvement de l'âge moyen effectif de départ déjà prévisible du fait de la réforme de 2010, il faudrait soit que les prélèvements sur les actifs soient augmentés de 1,1 %, soit que le rapport entre la pension moyenne et le revenu moyen baisse de 5 %, soit que l'âge effectif de départ recule de six mois supplémentaires.

En 2011, l'âge effectif de de départ était de 62 ans pour les salariés du régime général et devrait déjà **progresser** d'un an à l'horizon 2020 du fait de la dernière réforme des retraites. Pour la fonction publique d'Etat, l'âge effectif de départ devrait **passer** de 57,1 ans en 2010 à 58,7 en 2025 (notamment en raison des départs anticipés des militaires et des catégories actives). En jouant sur le seul critère de l'âge, le départ moyen effectif devrait donc se **faire** à 63,5 ans en 2020 pour le privé et 59,2 ans pour la fonction publique d'Etat pour **parvenir** à l'équilibre. Ce relèvement pourrait se **faire** en recourant aussi bien à la hausse de l'âge minimum légal qu'à celle de la durée de cotisation, le COR se gardant bien de **trancher** entre les deux options.

A l'horizon 2040 et 2060, les prévisions dépendent nettement plus du contexte économique. Mais dans le scénario central (taux de chômage de 4,5 % et hausse de la productivité de 1,5 %) il faudrait soit **relever** le taux de prélèvement de 5 points en 2040, 6,2 points en 2060, soit **baisser** le rapport entre la pensions moyenne et le revenu moyen de 20 % en 2040 puis 25,3 % en 2060, soit **relever** l'âge effectif de départ de quatre ans en 2040 et cinq ans en 2060 (en sachant que cet âge devrait déjà mécaniquement se **relever** de deux ans avec la législation actuelle). Le gouvernement a promis d'**entamer** en mars 2013 une concertation avec les partenaires sociaux sur les décisions à **prendre** pour **combler** le déficit. Les choix seront visiblement difficiles à **faire**.

Solidaritätsverbot: Zur Theorie nationalstaatlicher Souveränität in Europa

10. Februar 2013, 11:50 Uhr

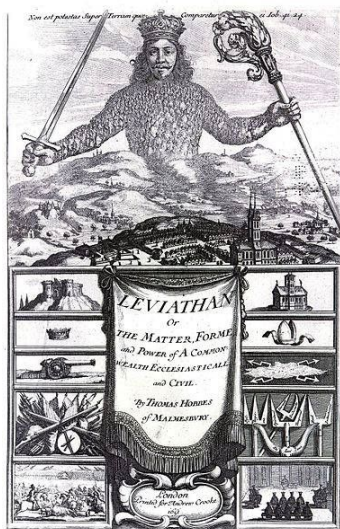
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Nationalstaatliche Souveränität ist im Lauf der Eurokrise in Verruf gekommen. Zu Unrecht. Nichts schützt die Demokratie besser.

Von Rainer Hank Der Artikel wurde veröffentlicht im [MERKUR, Heft 01/2013](#), Seite 14 bis 24

Mitten in einer Nacht des Jahres 1876 bekommt Seth Bullock, der Sheriff von Lewis and Clark County in Montana, Besuch von einem Mob aufgebrachter Bürger. Sie fordern die Auslieferung des bereits abgeurteilten Pferdediebs Clell Watson, der im Gefängnis auf seine Hinrichtung wartet. Es entwickelt sich ein Streit darum, wer den Delinquenten exekutieren darf: Der Mob sinnt auf Lynchjustiz; der Sheriff auf Staatsvollzug. Von zornigen Männern umzingelt, vollzieht Bullock kurzerhand die Strafe an Ort und Stelle: Er legt dem Kriminellen eine Schlinge um den Hals und lässt ihn auf einen Schemel steigen, den er selbst wegtritt. Den Mob kann Bullock nur mit einem Gewehr in Schach halten - den Rechtsstaat aber hat er gerettet.

Die Geschichte von Seth Bullock ist die Urszene der Souveränität. Der Philosoph Daniel Loick hat sie jüngst nacherzählt in seiner herausragenden Studie zur [Kritik der Souveränität](#). Dem Pferdedieb ist ziemlich egal, wer ihn zur Strecke bringt; dem Rechtsstaat aber kann das nicht egal sein. Er und nur er verfügt über das Gewaltmonopol, dessen Kernbereich die Polizei- und Militärgewalt darstellt, das aber zum Beispiel auch das Recht, Steuern einzutreiben (eine Art Zwangsenteignung) umfasst. Nur der Staatsgewalt (einerlei ob durch Gott, Geburt oder das Volk legitimiert) billigen wir dieses Recht zu. Staatssouveränität ist der Preis, den wir zahlen zur Vermeidung des permanenten Bürgerkriegs (Mob!).



Während im Mittelalter ein polykratischer Wettbewerb der Herrschaftsausübung mit konkurrierenden Unterwerfungsansprüchen gang und gäbe war - man denke an den Investiturstreit -, entsteht in der Neuzeit die Idee der Souveränität. Ihr Erfinder ist Ende des 16. Jahrhunderts der französische Staatstheoretiker Jean Bodin. Seine bis heute gültige Definition in den *Six Livres de la Republique* heißt: "Unter der Souveränität ist die dem Staat eignende absolute und zeitlich unbegrenzte Gewalt zu verstehen." In seinem *Leviathan* (1651) hat Thomas Hobbes daraus abgeleitet, dass der Staat, um den Krieg aller gegen alle zu beenden, für sich absolute Macht beanspruchen muss, der Bürger aber auf Macht verzichtet unter der Voraussetzung, dass seine Mitbürger auch dazu bereit sind. Der (National)Staat schützt die Rechts- und Wettbewerbsordnung und duldet zugleich keinen Wettbewerber neben sich. Er und kein Zweiter soll das Monopol ausüben dürfen.

Damit bekommt die Idee der Souveränität von Anfang an etwas Ironisches, wie Daniel Loick bemerkt. So wie ein Reisender, der wegen seiner Flugangst ein Schiff besteigt und ausgerechnet mit diesem Schiff untergeht, so ist es auch eine Ironie der Souveränität, dass Gewalt nur vermieden werden kann durch die höchste denkbare verfassungsrechtliche Legitimation der Gewalt: might is right. Aber nur für den souveränen Staat. Nicht wer im

Besitz der Wahrheit ist, sondern wer die Macht hat, bestimmt die Gesetze und die Verfassung: *auctoritas, non veritas, facit legem*. Seit Rousseau ist dieser Dezinisionismus rückgebunden an den Willen des Volkes: In der Ausübung der Souveränität regiert das Volk sich selbst. Die Verpflichtung zum Gehorsam gegenüber der Staatsgewalt ist somit nicht nur der nackten Autorität des Souveräns geschuldet, sondern quasi moralische Selbst- und Gewissensverpflichtung des Volkes. Aus der absolutistischen wird demokratisch kontrollierte Souveränität, die strikt an das Territorialitätsprinzip gebunden und durch die Teilung der Gewalten als rechtsstaatliches Verfahren legitimiert ist. Nutznießer, Entscheidungsträger und Finanziere (Steuerzahler) innerhalb eines Gemeinwesens sollen deckungsgleich sein. Das gibt dem Dezinisionismus von Macht, Souveränität und Hegemonie seine demokratische Legitimation. Etwas Besseres ist der Rechtsgeschichte bis heute nicht eingefallen.

Seit Beginn der europäischen Einigung wurde die nationalstaatliche Souveränität vielfältig aufgeweicht. Es blieb freilich zunächst alle Delegation der Macht an transnational-europäische Institutionen rückgekoppelt an eine nationale Letztentscheidung. Wo Kompetenzen auf europäische Institutionen übertragen wurden, hatten diese ihre Macht nur geliehen von der nationalen Souveränität. **Insbesondere zur Fiskalverfassung hat das deutsche Verfassungsgericht zuletzt noch in seiner ESM-Entscheidung vom September 2012 insistiert, "dass die Entscheidung über Einnahmen und Ausgaben der öffentlichen Hand als grundlegender Teil der demokratischen Selbstgestaltungsfähigkeit im Verfassungsstaat in der Hand des Deutschen Bundestags verbleibt"**. Auch in einem System "intergouvernementalen Regierens" müssten die Abgeordneten als gewählte Repräsentanten des Volkes die Kontrolle über fundamentale haushaltspolitische Entscheidungen behalten. Durch die Blume haben damit die Verfassungsrichter eingestanden, dass die Souveränität des Nationalstaates an den Rändern ausfranst: Intergouvernemental (oder supranational) ist ein feineres Wort für die neue Polykratie, die die Politikwissenschaft vornehm "Mehrebenendemokratie" nennt. Allemal geraten jetzt wieder konkurrierende Souveränitätsansprüche miteinander in Konflikt. **Wann ist Brüssel zuständig, wann Berlin? Und was, wenn beide sich zuständig fühlen? Dann weiß man nicht mehr weiter und nennt das "postdemokratisch"**.

Zentrales Ereignis dieser Ausfransung war die Geburt der Europäischen Währungsunion, die den Nationalstaaten die Befugnis über die Geldpolitik entzog und sie der Europäischen Zentralbank übertrug. In der Euro-Zone hat keiner mehr sein eigenes Geld. Die Höhe der Zinsen, zu der die Notenbank ihr Geld verleiht, oder die Entscheidung, eine Währung ab- oder aufzuwerten, ist dem nationalen Souverän entzogen. **Die Deutschen fanden diesen im Grunde gravierenden Souveränitätsverzicht erträglich, weil sie aus ihrer Geschichte mit der Deutschen Bundesbank gewohnt waren, dass das Monopol über die Geldschöpfung immer schon dem Machtmonopol des Staates entzogen war. Sie schätzten gerade den Ausnahmecharakter der Bundesbank als Garant der Stabilität ihrer Währung:** Denn diese Immunität vor politischer Begehrlichkeit schützte sie über fünfzig Jahre vor Inflation und bewahrte sie vor dem Rückfall in das Trauma des 20. Jahrhunderts. Wenn also die EZB so konstruiert wäre wie die Deutsche Bundesbank, dann wäre der staatliche Verzicht auf die Ausübung von Souveränität in diesem Fall kein Verlust, sondern ganz im Gegenteil ein Gewinn - so ungefähr lautete die rhetorische Akzeptanzformel, die den Deutschen den Abschied von der nationalen Währung schmackhaft machte. Derart fraglos wurde der Souveränitätsverzicht akzeptiert, dass offenbar niemand es für notwendig erachtete, zumindest Austrittsrechte und -wege aus dem Euro-Raum in die Verträge aufzunehmen. **Dem Euro eignet eine implizite Ewigkeitsgarantie.**

Drei Bedingungen sollten die Gemeinschaftswährung gegen Störungen schützen: Europa sollte erstens keine Defizitgemeinschaft werden. Im Gegenteil: Das Vertrauen war groß, das Verschuldungsverbot werde, ähnlich dem, was man heute "Schuldenbremse" nennt, die Staaten dazu disziplinieren, eine solide Haushaltspolitik einzuleiten. **Europa sollte zweitens keine "Haftungsgemeinschaft" sein.** Das Bundesverfassungsgericht hat dies in seinem Euro-Urteil vom September 2011 ausdrücklich bestätigt. **Demnach dürfe es "keine dauerhaften völkervertragsrechtlichen Mechanismen" geben, "die auf eine Haftungsübernahme für Willensentscheidungen anderer Staaten hinauslaufen, vor allem wenn sie mit schwer kalkulierbaren Folgewirkungen verbunden sind"**. Damit ist bereits der dritte Ausschlussgrundsatz der Verträge angesprochen: **Europa ist, weil keine Haftungs-, auch keine Transferegemeinschaft. Jeder haftet für sich und kann nicht auf "Solidarität" der anderen zählen.** Es ist, als ob der Schreck über den Souveränitätsverzicht in der Geldpolitik alle Euro-Staaten zu dem Versprechen gezwungen hätte, ansonsten strikt und für immer an der nationalstaatlichen Souveränität festzuhalten. Nicht zuletzt das Scheitern einer Europäischen Verfassung im Jahr 2005 ist Ausdruck der von den Völkern gewünschten Abstinenz gegenüber einer weitergehenden Vergemeinschaftung der Politik.

Doch Maastricht, wiewohl bis heute Gesetz, ist faktisch längst außer Kraft gesetzt. Die Rettung des Euro begann mit einem Rechtsbruch. Wie stets seit dem Rechtsbruch Adams und Evas im Paradies **zieht eine einzelne Sünde viele weitere nach sich**, weshalb die Geschichte der Euro-Rettung inzwischen als "Chronik einer angekündigten Katastrophe" (Paul Krugman) viel mehr ist als nur eine Finanzkrise. Sie ist auch eine Katastrophe für den souveränen Staat. **Die Europäische Union wandelt sich, nach einem Wort des Ökonomen Joachim Starbatty, "von einer Rechtsgemeinschaft in eine Hauruck-Gesellschaft mit nicht überschaubaren Kollateralschäden": Das zersetzt auf Dauer das Vertrauen der Bürger in die politischen Institutionen,** zumal zur Beschädigung rechtsstaatlicher Grundsätze mittels Vertragsbruch und Institutionendemontage noch, mindestens so gravierend, **eine schleichende Aushöhlung der Demokratie hinzukommt.**

Solidarität nämlich ist der Feind der Souveränität, **zumindest sofern sie nicht rein altruistisch, also verschwenderisch, gelebt, sondern an Bedingungen geknüpft wird (Austeritätsauflagen, Strukturreformen).** Sollen diese nicht nur auf dem Papier stehen, bedarf es geeigneter Überprüfungsinstanzen: Eine Troika aus Vertretern fremder Mächte reist durch das Land und überwacht die Einhaltung von Haushaltsauflagen mit gravierenden Auswirkungen etwa auf Gehälter und Renten. **Stärker kann das Gewaltmonopol eines Nationalstaates gar nicht demoliert werden.** Die Proteste der Bürger sind ihr Einspruch gegen die Zertrümmerung der Volkssouveränität. Diese Beschädigung hat ihr Pendant in der erpresserischen Macht, die der Solidaritätsdruck auf die Parlamente der Geberländer ausübt. Sie können im Grunde die "Hilfe" gar nicht verweigern: Ihr Gewissen unterliegt einem Druck der Zwangsläufigkeit, der die Souveränität nur noch auf dem Papier bestehen lässt. **Beide, Geber und Nehmer, sind in Solidarität aneinander gekettet, die die Souveränität morsch werden lässt.**

Wie konnte das passieren? Ökonomische, rechtliche und politische Wirkmechanismen spielen auf unselige Weise zusammen. **Anstatt zu disziplinieren hat die gemeinsame Währung die Staaten dazu angeregt, sich in besonders hohem Maße zu verschulden.** Weil plötzlich die billigen Zinsen nicht mehr das unterschiedliche Risiko der Euro-Länder spiegelten, war eine grosszügige wohlfahrtsstaatliche Politik viel leichter geworden. **Wer will, kann schon diesen Prozess wachsender Staatsverschuldung als schleichenden Souveränitätsverlust deuten - gegen die Vorschriften der europäischen Verträge.** Denn **die Staaten haben ihren Finanzierungsbedarf nicht den Steuerzahlern aufgebürdet, sondern an den Kapitalmarkt delegiert und sich von diesem - den volatilen Zinsen der Gläubiger und den Bewertungen der Ratingagenturen - abhängig gemacht.** Falsch ist es indessen, zu behaupten, die "Märkte" hätten den Staaten ihre Souveränität geraubt und sie in den Würgegriff genommen. Kein Staat ist gezwungen, sich sein Geld am internationalen Bond-Markt zu besorgen. Wer sich freilich hoch verschuldet, muss wissen, dass seine Politik dadurch immer mehr von den Gläubigern als von den Bürgern bestimmt wird.

Märkte und Politik haben das Verbot der Solidarität nie ernst genommen. Aus diesem Grund konnten die Gläubiger (die Banken) sich erlauben, exzessiv billige Kredite auszureichen. Denn sie setzten darauf, gegebenenfalls von "solidarischen Staaten" herausgepakt zu werden. Offenbar war, insbesondere für die früheren "Weichwährungsländer", unter dem Euro-Regime Maastricht zum Trotz von Anfang an eine hohe Verschuldung attraktiv, sofern eine Chance bestand, im Falle eines Falles die überbordende Verschuldung weg zu inflationieren. In dieser Strategie ist nicht zuletzt Italien gut geübt: Sie wird umso attraktiver, als die Kosten der Krise später auf alle (vor allem aber auf die vermögenderen Schichten Deutschlands) umgewälzt werden können.

Erst als nach 2008 die Gefahr europäischer Staatspleiten erkennbar wurde, stiegen die Zinsdifferenzen wieder. Darin spiegelt sich nicht zuletzt das Risiko, dass die Euro-Zone zerbrechen und einzelne Länder den Euro-Raum verlassen könnten. **Die Investoren wollten zur Absicherung gegen eine Währungsumstellung in einem Euro-Land einen Renditeaufschlag haben. Das ist rational und hat, anders als häufig behauptet, nichts mit irrationaler Spekulation zu tun.**

Schließlich fiel auch das Verbot der monetären Staatsfinanzierung durch die Europäische Zentralbank. Die EZB kauft europäische Staatsanleihen am Sekundärmarkt auf, um die Nachfrage zu stärken und den Zins zu drücken. Sie akzeptiert als beleihbare Pfänder für Kredite an die Staaten immer risikoreichere Wertpapiere, und sie lässt schließlich zu, dass über die sogenannten Target-II-Salden die Krisenländer mehr oder weniger unbegrenzt Kredit erhalten, was de facto bedeutet, dass die Notenbanken der Südländer selbst die Druckerpresse anwerfen. **Damit aber wirft die Europäische Zentralbank ihre eigenen**

Prinzipien über Bord. Ihr ursprüngliches Ziel, gemäß der Tradition der Bundesbank für stabiles Geld in der Euro-Zone zu sorgen, wird in der Krise zunehmend **verdrängt von der neuen Rolle, zahlungsunwillige Staaten günstig zu finanzieren. Monetäre Staatsfinanzierung aber untersagen die Maastricht-Verträge den Notenbanken ausdrücklich.** Dafür ist die nationale Finanzpolitik (und neuerdings auch die Rettungsinstitution ESM) zuständig, denn diese unterliegt der demokratischen Kontrolle durch die Steuerzahler. Geldpolitik in Europa ist, anders als in den Vereinigten Staaten, an Regeln gebunden und nur einem Ziel verpflichtet: der Stabilität der Währung.

Den Schwenk der Europäischen Zentralbank vom Anwalt der Stabilität zum Erfüllungsgehilfen der Fiskalpolitik hat EZB-Chef **Mario Draghi** eingeleitet, dessen Bedeutung aber als politisch zweitrangig geschickt heruntergespielt. Zur Augenwischerei schickte Draghi hinterher, **EZB-Geld gebe es nur, wenn zugleich der europäische Rettungsschirm ESM Hilfen bewillige und seine Zusage an Bedingungen struktureller Reformen in den Krisenländern binde. Das sollte beruhigend klingen.** Dabei ist es in Wirklichkeit höchst **beunruhigend:** Denn die EZB, selbst der demokratischen Kontrolle enthoben, gibt ihre Unabhängigkeit auf, indem sie sich abhängig macht von den Budgetnotlagen einzelner Mitgliedstaaten und ihre Unabhängigkeit für Solidaritätsaktionen missbraucht, nachdem die Regierungen sich nicht mehr an den nationalen Souverän zu wenden wagen. **Das deutsche Verfassungsgericht hat in seinem ESM-Urteil vom 12. September 2012 präzise gesehen, dass die EZB sich damit zum europäischen Fiskalsouverän aufschwingt, ohne dafür ein Mandat zu besitzen.**

Nicht wenigen in Europa ist dieser Missbrauch des Mandats der EZB als Brückenkopf für weiter reichende Ziele allerdings durchaus recht. Sie nehmen es billigend oder gar wohlwollend in Kauf, dass auf die Teilentmachtung der nationalen Politik in der europäischen Geldpolitik nun deren vollständige Entmündigung durch ein europäisches Regime mit umfassenden fiskalischen Zuständigkeiten folgt. Entmündigung würden sie dies freilich nie nennen. **Stattdessen verpacken sie die faktische Aushöhlung nationaler Souveränität als Gebot europäischer Solidarität und notwendiges Moment geschichtsphilosophischer Finalität.** Ein teleologisches Prinzip verwandle, gleichsam wie die unsichtbare Hand des Marktes, die Währungs- in eine Fiskalunion und diese dann in eine soziale und politische Union. Nie darf in diesem Zusammenhang das Diktum von **Jacques Rueff** fehlen, der 1949 bekannt hat, die europäische Integration werde am besten ökonomisch gelingen: **"L'Europe se fera par la monnaie ou ne se fera pas."** Das war schon damals ungedeckte Übertreibungsrhetorik, getragen von der Hoffnung, es werde schon keiner merken, dass der europäische Diskurs bislang nie als fiskalisches, sondern stets als kulturelles Projekt thematisiert wurde. **Zu Beginn der europäischen Einigung in der Nachkriegszeit ging es um Freihandel und Wettbewerbsunion.** Erst in den achtziger und neunziger Jahren schob sich **die Idee einer gemeinsamen Währung** als Integrator in den Vordergrund, **motiviert von der Hoffnung Frankreichs, so das aus seiner Sicht hegemoniale Diktat der Bundesbank aushebeln zu können.**

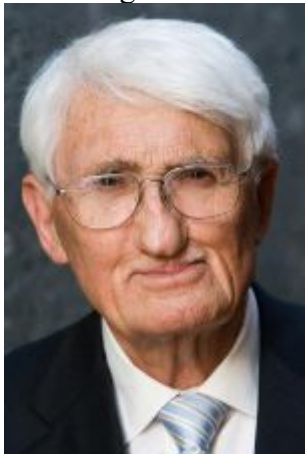
Merkwürdig, warum der Euro heute abermals als Integrationstreiber Europas fungieren soll, obwohl die **Währungsunion gravierende Konstruktionsfehler aufweist.** Wäre es nicht besser, erst über die Gründe der Fehlkonstruktion nachzudenken? **"Europe's unfinished currency" (Thomas Mayer, Ex-Chefvolkswirt der Deutschen Bank),** ein typischer Titel aus der Kiste der Finalität, schreit nach Vollendung. Die Währungsunion gilt als Kindheitsphase und die heutige Krise als eine Art Kinderkrankheit. Jetzt soll der Übertritt ins Erwachsenenalter beginnen. Denn der Euro sei eben Torso, Fragment: **Wer ihn retten wolle, müsse für "mehr" Europa sein.** Denn nur Krisenzeiten seien Reformzeiten, tönen die Finalisten, ohne darüber Rechenschaft zu geben, dass, solange die Ursachen der Krise nicht geklärt sind, auch über weitere Ziele schwer zu reden ist.

Dabei fällt auf, wie leichtfertig die Finalisten einem Abschied von nationaler Souveränität das Wort reden. "Gebt Souveränität ab!" tönt es von Jürgen Habermas bis Wolfgang Schäuble, gefeiert wie ein Befreiungsakt. Souveränität, jene die Bürger befriedende Errungenschaft der Neuzeit, wird inzwischen **behandelt wie ein Klotz am Bein Europas, der den Prozess der weitergehenden Einigung behindert.** Im Trilemma, zwischen Souveränität, größerer europäischer Integration und supranationaler Demokratisierung nur zwei Ziele durchsetzen zu können, bleibt stets die nationale Selbstbestimmung auf der Strecke. (Auf globaler Ebene hat das **Dani Rodrik** herausgearbeitet.) Womöglich schwingt hier bis heute der Verdacht gegen den autoritären Dezisionismus des hobbeschen Konzepts mit. Wenn wir es schaffen würden, mehr Europa mit mehr supranationaler Demokratie (strengere Kontrolle etc.) zu paaren, wen würde es dann kümmern, dass ein

paar deutsche Verfassungsrichter ihren Job verlören, so lautet die weitverbreitete Souveränitätsaversion bei den politischen und intellektuellen Eliten, die übersehen, dass sie bei dieser Gelegenheit auch Haushaltsausschüsse, Parlament und nationale Fiskalpolitik entmachten (also zum Teil sich selbst). Als ob nicht längst zu spüren wäre, was die Aushebelung der Souveränität durch die europäischen Hilfs- und Austeritätsprogramme anzurichten in der Lage ist, bei denen die Empfängerregierungen ihre Aufträge nicht mehr vom Parlament, sondern von einer transnationalen Troika erhalten. Während die Südländer sich von den Gebern unterjocht fühlen, herrscht bei den Zahlern der Eindruck, sie würden von fremden Staaten zur Solidarität erpresst. Thomas Hobbes behält wieder einmal Recht: Wo Souveränität fehlt oder erodiert, folgen politische und ökonomische Desintegration auf dem Fuße. Der Bürgerkrieg ist dann nicht mehr fern.

Zu leicht machen es sich die Euromantiker, wenn sie die Abgabe von Souveränität, eine Art Selbstentmachtung, als positiven Akt präsentieren und damit Hobbes und Rousseau einfach vom Tisch fegen. Wohin der Abgebende abgibt, fragt niemand. Es kommt nicht darauf an. Mal ist es ein EU-Währungskommissar (ein Brüsseler Beamter, ein Mann der Administration mithin), der das Recht erhalten soll, "gegen die Budgets der Mitgliedsländer" (verabschiedet von gewählten Parlamenten!) sein Veto einzulegen (Wolfgang Schäuble). Mal ist es ein direkt gewählter europäischer Präsident (zuweilen auch Finanzminister), der quasi autokratisch Fiskalpolitik soll machen dürfen, indem er nationale Rechte außer Kraft setzt. Derart institutionell dürftig zeigt sich der Verfassungsdiskurs in den Zeiten der Krise, dass sogar der Grundsatz der Bostoner Tea Party "No taxation without representation" - schlechthin der Souveränitätsgrundsatz der Finanzautonomie - nichts mehr gilt: Macht doch nichts, solange andere Staaten sich am Geld der Bürger anderer Staaten bedienen können.

Jene Schwärmer, die bereitwillig nationale Souveränität aufgeben wollen (sie lassen sich gerne "leidenschaftliche" oder "glühende" Europäer nennen), begeben sich ohnehin nicht gerne hinab in die Niederungen fiskalischer Selbstbestimmung in der Demokratie. Ihre Manifeste richten sich lieber appellativ



an die Leser: "Vollende, was die europäischen Pioniere einst begonnen haben!" (Daniel Cohn-Bendit). Wem davor graut, wer warnt, aus der Fehlkonstruktion des Euro drohe eine noch schlimmere Fehlkonstruktion Europas zu werden, wird alsbald als Nationalist denunziert, der nicht nur Schlagbäume, sondern wahrscheinlich auch andere schlimme Dinge (und Kriege!) in Kauf zu nehmen bereit ist. Wer nicht für "mehr" Europa ist, der kann nur ein Zurück in den Egoismus der Kleinstaaterei und des "monetären Nationalismus" (Jürgen Habermas, Foto: Fricke) wollen. Die "abschirmend-souveränitätsversessene Argumentationslinie" (Habermas) des Bundesverfassungsgerichts gilt folgerichtig als gestrig und wird ausgemustert. Solch hohen Ton nennt der Soziologie Hans Joas "Sakralisierung": Ihn lasse das Tremolo in den Europa-Reden schaudern, sagt er. Denn das Sakrale, ursprünglich das von den Religionen gehütete Heilige, sei seit der religionskritischen Aufklärung ausschließlich der universalen Menschenwürde reserviert: Nur die Person ist unantastbar heilig, nichts anderes. Europa zu sakralisieren, idealisiert, romantisiert und immunisiert eine Staatengemeinschaft, deren Geschichte bestenfalls durchwachsen, deren Gegenwart gespalten, deren Währung gescheitert und deren Zukunft mehr als ungewiss ist. Dabei merken die Euromantiker gar nicht, dass sie, bei aller antinationalistischen Rhetorik, deren nationalistische Struktur auf postnationaler, europäischer Ebene nur wiederholen. "Der Verzicht auf die europäische Einigung wäre auch ein Abschied von der Weltgeschichte", lautet Habermas' zentraler Satz, wobei ihm offenbar dessen neoimperiale Größenphantasie verborgen blieb: Welche weltgeschichtlichen Aufgaben Deutschland in einem geeinten Europa übernehmen soll, wird nicht gesagt. Habermas bemüht dasselbe Raunen, das auch Dax-Manager anstimmen, wenn sie sagen,

nur mit mehr Europa und der Abgabe nationaler Souveränität könne der Kontinent im Wettbewerb mit Amerika oder Asien Schritt halten. Das wiederholt den imperialen Gestus des späten 19. Jahrhunderts.

Nichts spricht dafür, dass die Euro-Krise durch nachträgliche Initiativen für weitere zentralistische EU-Kompetenzen und bessere politische Legitimation der EU-Organen beendet oder auch nur leichter bewältigt werden kann. **"Noch mehr Souveränitätsverzicht kann Europa auch nicht retten", meint Fritz Scharpf, der Altmeister der politischen Ökonomie in Deutschland**, in seinem unveröffentlichten Manuskript gleichen Titels. Der italienische Staat, darauf macht nicht nur Scharpf aufmerksam, war bekanntlich trotz römischen Souveränitätsmonopols und einheitlicher Fiskalpolitik ebenso wenig in der Lage, die politische und ökonomische Deklassierung des **Mezzogiorno** zu überwinden, wie die deutsche Politik nach der unter einem falschen Wechselkurs vollzogenen Wiedervereinigung die Deindustrialisierung und Entvölkerung weiter **ostdeutscher Regionen** aufhalten konnte. **"Wenn es um die Eurokrise geht, sollte man sich also von der Forderung nach einer europäischen politischen Union keine Entlastung erhoffen"** (Scharpf). Wenn schon **Belgien** nicht zusammenhält, wenn angesichts der Krise gewichtige Gruppen **in Katalonien oder Südtirol** los von Madrid oder Rom wollen, woher sollen dann plötzlich die Kohäsionskräfte kommen, die nötig wären für einen neuen zentral-europäischen Integrationsprozess? Wahrscheinlicher ist das Gegenteil: **Eine weitere Integration, die das Europapathos der Neoimperialisten umsetzen will und die Auflösung der nationalstaatlichen Souveränität betreibt, hätte eine größere Desintegration zu gewärtigen.**

Wenn die intellektuelle und politische Elite **die Macht der Märkte** durch eine Stärkung der demokratischen Institutionen auf europäischer Ebene zähmen will, dann überschätzt sie regelmäßig deren Erfolgchancen: Globalregierungen, das zeigt nicht zuletzt die Erfahrung der EU, einigen sich stets auf dem kleinsten gemeinsamen Nenner. Die nationalen Regierungen geben ihre Aufgaben und Pflichten ab, aber niemand ist da, der sie übernehmen kann. Gerade wer an der Stärkung der Demokratie (gegen die Anonymität von Markt und Globalisierung) interessiert ist, müsste die nationale Souveränität verteidigen. Einen stärkeren Verbündeten gibt es nicht.

Die optimale Größe eines Landes ist genau dann erreicht, wenn sich der Nutzen seiner Größe und die Integrationskosten seiner Heterogenität die Waage halten. Staatliche Administration (mit dem politischen Willen zu zentralistisch-bürokratischer Macht) dringt auf Größe. Kulturelle Milieus und wirtschaftlich unterschiedlich erfolgreiche Provinzen, Milieus oder Klassen dringen auf Regionalisierung und Separation. (Rainer Hank, "Wer hat Angst vor der Kleinstaaterei?", [Merkur 1/2012](#)) **Der Euro hatte von Anfang an keinen optimalen Währungsraum zur Verfügung**; die Gegensätze sind auch seit seiner Einführung nicht geschrumpft. Offenbar ist jetzt aber der Punkt erreicht, an dem schon beim Versuch größerer Vereinheitlichung die Integrations- und Zentralisierungskosten höher sind als die Vergemeinschaftungsvorteile.

Was aber dann? **Die Krise ist gewiss der schlechteste Moment, Europa eine Finalität aufzuzwingen. Selbst wenn man "glühender Anhänger" eines europäischen Bundesstaates wäre, müsste man es eine schändliche Ironie der Geschichte nennen, dass als sein Motor das eklatante Versagen der Währungsunion im Schuldensumpf fungiert.** Und das just in einer Zeit, in der die Europabegeisterung der Menschen auf dem Tiefpunkt angelangt ist, der einstmals blühende kulturelle Europadiskurs (vor allem zwischen Deutschland und Frankreich) zunehmend ausdünnt und sich die politischen und intellektuellen Eliten in einer Vertrauenskrise befinden.

Doch selbst wenn das Konzept des Euro aufgegangen wäre, müsste man vor einem Souveränitätsverzicht energisch warnen. **Denn mit der Aufgabe von Souveränitätsrechten entmachtet der Bürger sich selbst als Gestalter im nationalen Rahmen: Die Distanz zwischen lokalen Wählern und politischen Entscheidern in Brüssel nähme dramatisch zu.** Die Möglichkeit der Kontrolle nähme dagegen ab. Eine zentrale Finanzpolitik entfernt sich von den Wählern. **Eine zentrale Sozialpolitik, die zwingend die Folge größerer Integration wäre, führte nur dazu, dass jeder danach trachtete, auf Kosten des anderen zu leben.** Politikverdrossenheit wüchse noch weiter, die gesellschaftlichen und ökonomischen Ungerechtigkeiten wüchsen mit: **Denn die als gerecht empfundenen Konnexen von Risiko und Haftung wie auch der Grundsatz, wer den Nutzen habe, müsse auch für den Schaden aufkommen, wären ein für allemal entkoppelt.**

Dezentralisierung statt Zentralisierung heißt das Gebot. Umfragen des "World Values Survey" zeigen, dass in allen Völkern die Bindung an die eigene Nation stärker ist als alle anderen Identitäten. Die Menschen sehen

sich in erster Linie als Bürger ihres Landes, in zweiter als Bewohner ihrer Stadt oder ihres Dorfes und erst in letzter Linie als "Bürger Europas" oder "Bürger der Welt" (Rodrik). Niemand hat bis heute das Oates-Theorem (1972) der Dezentralisierung außer Kraft gesetzt. In seiner knappsten Form besagt es, dass der Nutzen öffentlicher Leistungen stets am höchsten ist, wenn diese dezentral/lokal bereitgestellt werden; zugleich sind dann die Kosten für diese Leistungen am niedrigsten. **Als Grundsatz der Subsidiarität gehört dieses Prinzip von Anfang an zur rhetorischen Grundausstattung des europäischen Institutionendesigns. Doch die Verführungskraft des Zentralismus ("mehr Europa") war für Politiker aller Schattierungen immer größer.**

Viel wäre schon gewonnen, wenn es gelänge, die politische Rhetorik wegzubringen von der Alternative, "mehr Europa" sei der Weg zur Einheit des Bundesstaates, demgegenüber es nur ein "Zurück" in den Egoismus der Kleinstaaterei gäbe. **Was zur Entscheidung steht, sind zwei Modelle der europäischen Integration: eines der Zentralisierung durch nationalen Souveränitätsverzicht, fiskalische Gemeinschaftshaftung und Transferzahlungen innerhalb eines Bundesstaates - und eines der Integration durch Wettbewerb und Dezentralisierung. Historisch erwies sich das Modell des Wettbewerbs als überlegen. Seine Moral heißt nicht "Solidarität", sondern "No Bailout" als Prinzip der Selbstverantwortung.** Besser als ein europäischer Bundesstaat, auf den die Souveränität (ganz oder teilweise) übertragen wird, ist ein Staatenbund, bei dem die Staaten ihre Souveränität behalten, sie diese sogar nach Möglichkeit an die nächstlokale Ebene nach unten abgeben im Interesse der Dezentralisierung.

"No Bailout", also das strikte Verbot gegenseitiger Hilfe im Interesse aller, hat die Eigenschaft eines dynamisch sich entwickelnden Vertrauenskapitalguts. Wer weiß, dass er im Notfall nicht von den anderen herausgepaukt wird, der wird sein Verhalten prospektiv darauf einrichten und dafür sorgen, nicht über seine Verhältnisse zu leben. Denn ein selbst zu verantwortender Bankrott wäre das Eingeständnis des Scheiterns und das politische Ende jeder Regierung. **Wer dagegen (wie im Euro-Raum) erfolgreich darauf wetten kann, die anderen zu Hilfeleistungen erpressen zu können, wenn die Katastrophe eintritt, der braucht auch keine Fiskaldisziplin.** Fiskalische Dezentralisierung aber funktioniert am besten, wenn sie mit Steuerautonomie und einem hohem Maß an Direktdemokratie auf lokaler Ebene verbunden ist. Denn dann sind die regionalen Gebietskörperschaften in der Lage, ihren Finanzierungsbedarf den Bürgern zur Abstimmung zu stellen und diesen qua Steuerhoheit auch durchzusetzen.

Ein Europa, das "No Bailout" als Grundprinzip wieder einsetzt (die Maastricht-Verträge gelten bis heute), würde im Grunde die bewährte Ordnung einer liberalen Werte- und Wettbewerbsgemeinschaft restituieren. Hinzukommen müssten freilich zwingend Regeln für den Ausnahmezustand, damit im Falle eines abermaligen Bruchs des Solidariätsverbots, mit dem immer zu rechnen ist, nicht wieder ein zwanghafter, erpresserisch durchgesetzter und zugleich unkontrollierbarer Rettungsmechanismus in Gang gesetzt wird. Souverän ist eben nur, wer auch über den Ausnahmezustand (Carl Schmitt) entscheidet: **Es geht um Regeln für den Fall des Regelbruchs.** Die Arbeiten für solch ein "Notstandsgesetz" stecken in den Anfängen. **Notwendig sind Exit-Regeln für den Austritt eines Mitgliedslandes aus der Euro-Zone, damit die Kosten für Insider und Outsider überschaubar bleiben und die Ansteckungsgefahr eines Austritts für andere Länder minimiert wird.** Damit einhergehen müssten Regeln für die Insolvenz eines Staates, die - analog einer Insolvenzordnung im Privatrecht - bindende Vorgaben umfassen für einen Schuldenschnitt, die Bestimmung der Insolvenzquote und die Mechanismen, in welcher Reihenfolge die Gläubiger bedient werden.

Das Solidaritätsverbot schützt gegen die Eingriffe anderer Staaten und wahrt am Ende die Souveränität eines Volkes. Keine Troika darf sich erdreisten, das Macht- und Fiskalmonopol eines souveränen Staates in Frage zu stellen, keine Staatengemeinschaft Parlamente unter Druck setzen, Solidarhilfe zu bewilligen. Der souveräne Staat und seine Bürger müssen ganz und gar Herr ihrer Ausgaben und Einnahmen bleiben. Beider Würde muss geschützt werden. **All jene, die das Solidaritätsverbot als hartherzig denunzieren, müssten zumindest anerkennen, dass das Prinzip Selbstverantwortung (Souveränität) den Stolz eines Volkes stärkt.**

Next Up For A "Recovering" Europe: A 30-50% Collapse In Wages In Spain, Italy And... France

Submitted by [Tyler Durden](#) on 12/02/2012 23:19 -0400

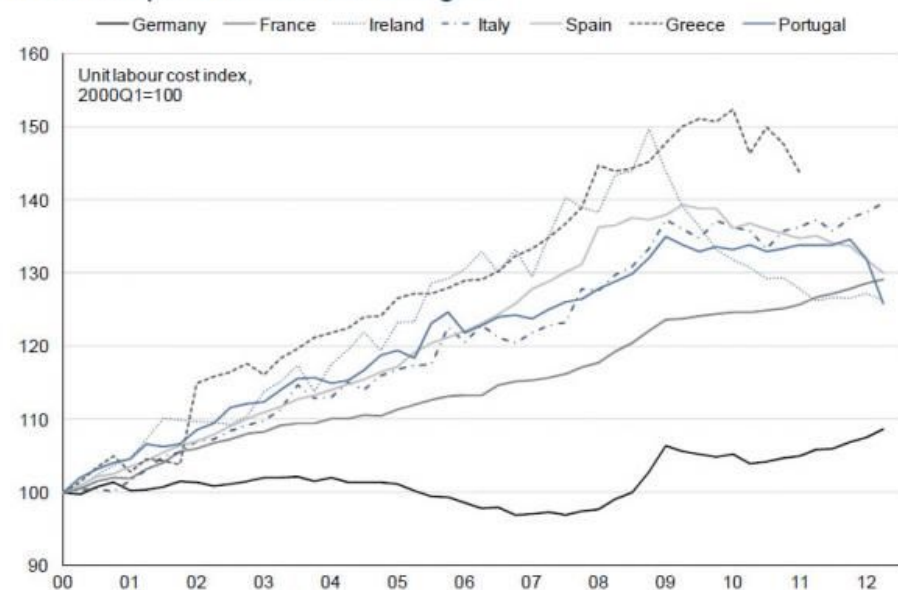
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Several weeks ago Europe officially entered a double dip recession, and based on various secondary economic indicators, even Europe's primary economic powerhouse, Germany, is on the verge of negative economic growth. The reasons for Europe's woeful macroeconomic state are numerous, but boil down to two primary ones: i) massive external imbalances among Eurozone nations (think soaring peripheral debt) coupled with the inability to devalue the common currency as that would mean a failure and collapse of the joint currency union, ii) a desperate need for the periphery to regain price competitiveness (via wages and labor costs) with Germany in order to arrest and collapse an unemployment rate (general, but especially youth) that not even the most optimistic pundits dare claim is sustainable.

Said otherwise, **most European countries (including France) face a desperate need for external devaluation, which is impossible under a monetary union, leaving only internal devaluation as an option.** This is where the much maligned concept of austerity comes in: from a macroeconomic perspective, austerity is not so much an exercise at moderating the pace of debt increase (as neither Spain nor Italy have reduced their rate of debt issuance), but of gradually becoming more price competitive with Germany: a key outcome that will be needed for the Eurozone to have any chance of survival, i.e., lowering *sticky* unemployment rates from levels that virtually assure social "disturbances" in the months and years ahead.

And **herein lies the rub**: because while protests against "austerity" (which as we observed recently has still [not been truly implemented](#) in Europe, and [certainly not in Portugal or Spain](#)) are a daily event in most PIIGS nations, "you ain't seen nothing yet." The reason: to achieve the unavoidable macroeconomic rebalancing, and to collapse the spread between soaring labor costs in the periphery and those of Germany (see chart below), **the bulk of European countries will need to see wages collapse by anywhere between 30% and 50% to compensate for the lack of state-level currency devaluation optionality. And yes, this includes France.**

Price competitiveness has diverged

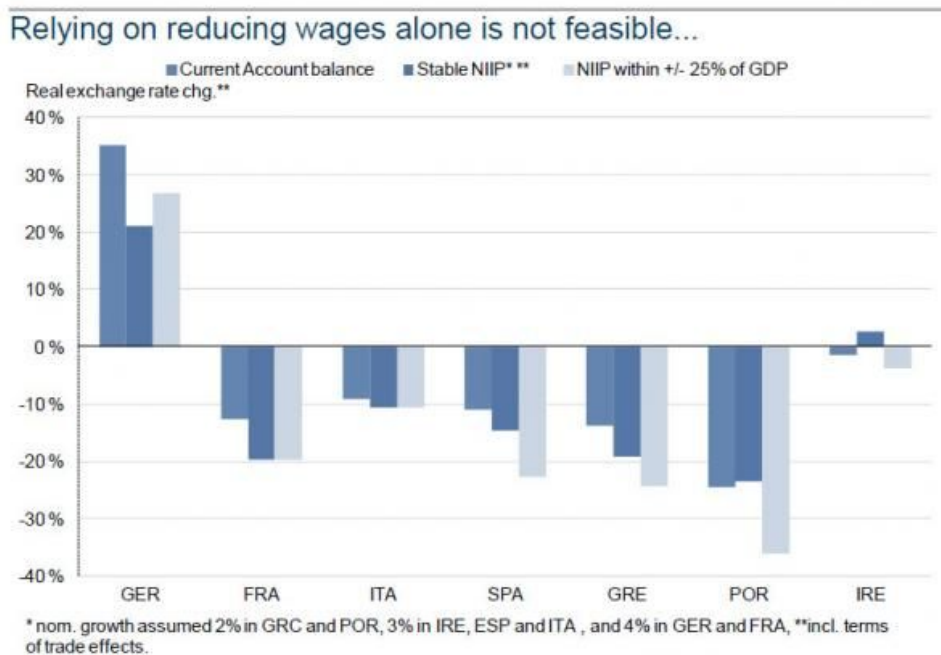


Source: ECB.

Goldman's Huw Pill explains the scary future facing peripheral European workers:

We ask the following question: For the Euro area countries of interest, how big a real exchange rate depreciation (which (to recall) in monetary union means (to a first approximation) a relative wage cut) is required in order to establish a sustainable external position.

The results of our exercise are shown below. They demonstrate that relying solely on internal devaluations to correct existing imbalances implies a need for very large wage and cost adjustments. For the small and vulnerable peripheral countries (Greece and Portugal), **we would need to see wages fall by at least 50% relative to Germany (from their level at the start of 2011) if this mechanism alone were to re-establish external sustainability. And even for larger and richer countries such as Spain and France, relative wage reductions (on a comparable basis) of 30%+ are needed.**



Which begs the question: **how will the long-suffering workers of Greece, Spain, and Italy (and also France), who are confident they have gone to the 9th circle of hell in the past 4 years, react when they realize that none of the needed internal devaluation has actually taken place yet?**

In other words, what happens when Spanish wages tumble by another 30%, as they must if the EUR, and the Eurozone, is to survive? Alternatively, if there are no labor cost cuts, how many more years and months of 1%/month unemployment increases will the unemployed in the periphery suffer before it realizes that chronic 25%+ unemployment is here to stay, as is the European Depression. What is most sad is that the economic reality is that regardless of the “all clear” that central-bank-manipulated market indicators tell us, the European imbalances continue deteriorating at a rapid pace.

And the paradox is that as long as market indicators aren't flashing red, no politician has the urge to enact the critical laws needed to fix the underlying problem, as that same fix will lead to an immediate end of said politician's career.

Needless to say, **not even Goldman thinks that kindly asking for Greek and Spanish workers to take another 30-50% pay cut is feasible** and would lead to anything short of revolution (and the alternative: asking Germany to adopt a wage increase and watch German inflation surge is just as ludicrous):

We view relative wage cuts of this magnitude as unfeasible: it is difficult to imagine France accepting a one-third fall in living standards relative to Germany. Of course, one could rely on Germany to raise wages, so as to redress the competitiveness gap from the other side. But ultimately such an approach would imply Germany accepting much higher rates of inflation, say above 4% pa for a decade or more, assuming the ECB met its target of keeping area-wide inflation close to 2%. We doubt the German public would countenance such an eventuality....

So does this mean that despite all best efforts to the contrary, when one looks beyond the daily hollow rhetoric emanating from Brussels and focuses on the simple economics of it all, *that the Eurozone is doomed?* While our pessimistic opinion on the viability of the failed European project is well-known, not even Goldman can bring much words of encouragement:

To answer that question, we need to explore the implications of relaxing some of the assumptions that underlie the exercise described above. First, we could implement the necessary relative wage adjustment through resort to nominal exchange rate changes. But allowing exchange rates to vary implies exit from the Euro area and reintroduction of national currencies. Relying on this mechanism implies recognising the impracticality of the euro, rather than describing how it can be saved.

Second, uncompetitive economies could suppress domestic demand to contain imports and run with mass unemployment on an ongoing basis. In our view, this is not politically feasible. British experience in the late 1920s (following Winston Churchill's decision to put Britain back on the Gold Standard at its pre-first World War parity) demonstrates as much. High unemployment, recessionary conditions and lost export markets were the precursors to abandoning gold rather than mechanisms for sustaining British adherence to it. One would expect as much for the Euro area periphery: if mass unemployment become endemic and permanent, it would eventually precipitate euro exit.

Third, uncompetitive peripheral countries could be subsidised on an ongoing basis by the more competitive surplus countries, i.e., a system of fiscal transfers from north to south could close the current account deficit and eliminate the existing imbalances. Such mechanisms are quite normal in continental monetary unions: witness the transfers from wealthy New York to poorer West Virginia via the federal government in the United States.

But the institutional mechanisms and political support for such area-wide redistribution are (as yet, still) lacking in the Euro area.

It is worth pointing out that the ad hoc and very much informal (after all Merkel's reelection chances are much lower if the German people understand what is really happening in Europe) transfer union has worked so far primarily because it funded the relatively modest economy of Greece. Yet even ordinary Germans understand that the Bundesbank's TARGET2 claims are nothing more than Germany's implicit fiscal transfer mechanism to the rest of Europe (one which happens to benefit German exporters: i.e., a public to private transfer scheme), one which is soaring by tens of billions each month.

To be sure all such indefinite ad hoc attempts to delay the day of “labor-cost equivalency”-reckoning using piecemeal and incomplete fiscal transfers from Germany to everyone else, will one day fail, when surging nationalist parties across Europe just say “nein” to ceding sovereignty to Germany which will eventually demand all Europe bow down to it in exchange for a full-blown fiscal union and Eurobond initiative in which Germany officially bears the cost of “temporary-to-permanent” Current Account imbalances, by shifting from TARGET2 to a wholesale German-funded fiscal union. This “unthinkable scenario” is quite thinkable by most, especially Europe, but in this case certainly Goldman:

A number of the options listed above are feasible for the smaller peripheral countries. Since the magnitude of structural change required to make them sustainable is so large (and the institutional capacity to implement those changes open to question), it is likely that we will see a prolonged period of both mass unemployment and subsidisation if they are to remain within the Euro area. This has been the experience thus far. Indeed, recent discussions over the terms of financial support for Greece in Brussels can be seen as a codification of how the subsidies will be provided in that case.

At the same time, we should not ignore the possibility of exit: were the rest of the Euro area to develop sufficient robustness to manage the transition, **one could easily imagine a Euro without Greece or Cyprus.**

But for the larger countries, options are much more limited. It is unthinkable to have a Euro area without France; at that point, it would become little more than a greater Deutsch mark zone. The politics of perpetual mass unemployment are equally infeasible as in the small peripheral countries. And France and Spain are simply too large to subsidise on an ongoing basis. So there is no alternative but to implement a restructuring of the economies to reduce the needed real depreciation to a plausible level. But the nature of the restructuring needs to be tailor-made for the country concerned.

The only good news to date, if one may call it so, is that **Spain has already taken some modest steps to address its internal devaluation.** However that former AAA-stalwart, and now bastion of resurgent socialism, France has not. And it is here that those who took offense to that recent edition of *The Economist* with the ticking time baguette cover should be paying attention.

Spain's economy is weak and vulnerable at present. But while of little comfort to those unemployed, there is a silver lining to that weakness: it is associated with a necessary restructuring that offers hope of a more balanced and competitive Spanish economy in the future.

Unfortunately, there are reasons for greater caution with regard to developments in France. Like Spain, France also needs to shift resources into the tradable sector in order to reduce its chronic and deteriorating current account deficit. But France's problem is not a bias towards the construction sector as in Spain, but rather a bloated public sector. Public expenditure in France is 56% of GDP, compared with 47% in Germany: the inherently domestic-oriented nature of government spending implies that France produces too few tradable goods relative to Germany.

In Spain, a largely spontaneous bursting of the housing bubble initiated the necessary restructuring of the economy. But in France a conscious political decision to shrink the state is needed to achieve the restructuring. And the political obstacles to that decision are high. While the French authorities increasingly recognise the need to improve French competitiveness, developing an understanding that this implies a deep restructuring of the economy remains elusive, at least at the political level, as recent discussion of industrial policy attests.

And then there is **that other wildcard: the UK.** As CLSA's Chris Wood writes in his latest edition of *Fear and Greed*:

Europe, the path ahead for the Eurozone was made crystal clear with a plan unveiled by European Commission President Jose Manuel Barroso on Wednesday, outlining the need for an overhaul of Eurozone institutions to pave the way for the collective issuance of debt. This fits GREED & fear's base case; namely that the Eurozone is moving towards "debt mutualisation", a process which will ultimately lead to fiscal union. This week's "deal" on Greece, with its extension of maturities and lowering of interest rates, is a further indication of the political determination to keep the Eurozone going in its present form and the unwillingness to contemplate the stresses of a Greek exit.

The above is also why the real political tension triggered by the direction in which the Eurozone has now embarked will turn out to be in Britain, not Spain or Greece. This is because there is real antagonism towards the Eurozone in Britain whereas in Greece and Spain the majority of people continue not to blame the euro for their problems. This is why it is possible that the Eurozone can make a deflationary

adjustment, as indicated by the periphery countries' improving current accounts. It is also why Britain's fresh-faced Prime Minister, David Cameron, has a political problem.

All of the above is correct: **the true European fulcrum nations have now shifted from the PIIGS to France and the UK, but it will take some time for this to become evident.** What is unclear is the question of timing. And with Europe hell bent on actually addressing the real underlying causes for its persistent recessionary state instead of merely attacking the symptoms (soaring yield spreads, plunging equity markets, diving EUR FX rate), one can be sure nothing will change as long as the ECB gives the impression that European imbalances are under control, courtesy of a bond purchase backstop, which sooner or later will be activated at which point this too threat will become reality, and like QEternity, will lose all potency.

It is only then that Europe will have some hope of finally addressing that which is the true basis for its unsustainability: **the internal imbalances which in the absence of currency adjustments can only be addressed through collapsing labor costs, and wages.**

Yet telling a continent, which in its desperation is hopeful and confident that the worst is behind it (as its lying politicians take every opportunity to note) that the most acute of standard of living collapses is yet to come, is **borderline cruel and unusual.** So we will just keep our mouths shut and let Europe's politicians bring this depressing message to their people. We are confident the reaction will be more than dignified.

Europe: The Last Great Potemkin Village Where "The Rich Get Richer, And Poor Get Poorer"

Submitted by [Tyler Durden](#) on 02/10/2013 12:28 -0500

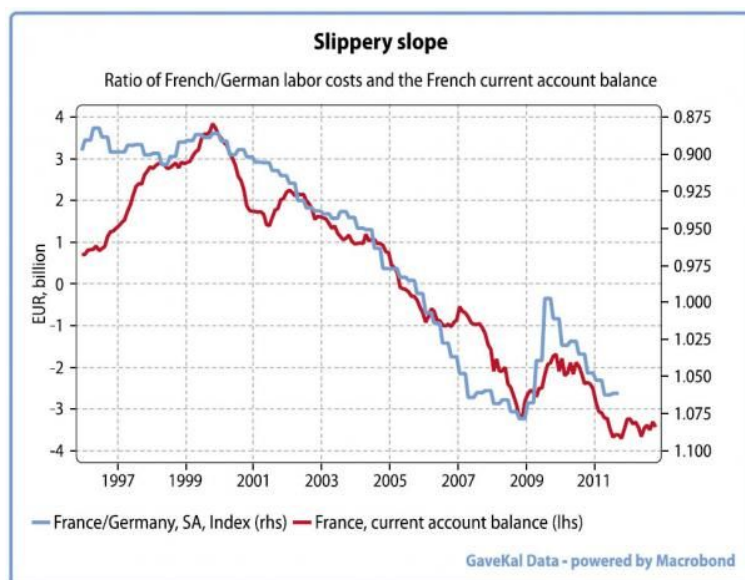
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From Charles Gave of [GKResearch](#)

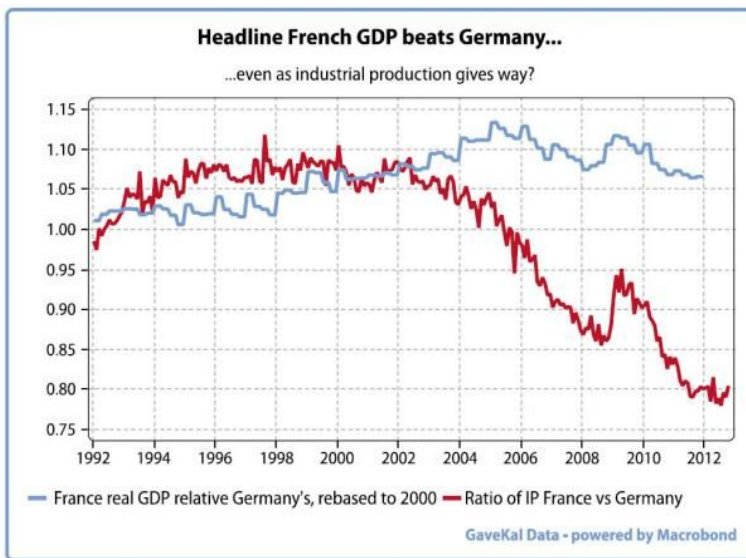
On the surface, it would seem that the euro crisis has calmed. Markets have rallied since the summer and, to borrow a phrase from Herbert Hoover, "prosperity is just around the corner." But outward appearances in Europe are like a Potemkin village. Behind the well-scrubbed facades, Southern Europe is in a death spiral. **Anyone convinced that the European monetary union has come through the crisis stronger is a victim of the slickest PR campaign in history.**

...

Let's be very clear here: this is what the euro has wrought. This destruction of the non-German industrial bases has taken place with the active complicity of the European technocrats. They did not even realize that France, the EMU's second largest economy, for example was becoming hopelessly uncompetitive.



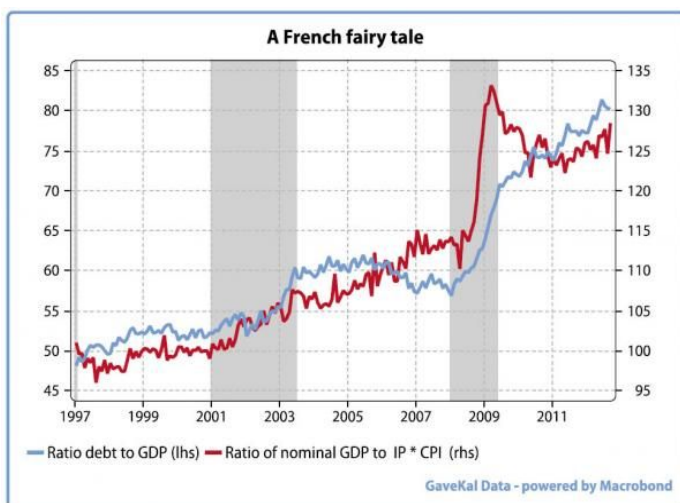
Let's go one step further. According to the official GDP statistics the French economy since the beginning of the euro experiment has done as well as the German economy:



But note that if we use the ratio of the two industrial production indices, then we see that the French economy has “underperformed” the German economy by 20%.

The loss of industrial capacity in France, Italy and Spain has taken place in the private sector part of the economy. The implication is thus that the share of the private sector in the economy must have been going down in Italy and France, and up in Germany. To compensate for demise of the private sector, the "solution" in good Keynesian logic is of course to grow the public sector.

The red line in the chart below depicts reality; the blue line the Keynesian fairy tale. **French debt went through the roof, to pay for a massive increase in government spending as a percentage of GDP.**



Needless to say, the same thing has happened in Greece, Spain, Italy, Portugal, etc., where the collapse of the private sector has been offset by a rise in government spending financed by an even bigger rise in new debt. Where does that leave us? Well, **we have a bunch of countries deindustrializing fast, issuing tons of "riskless assets" to mask the fact that they are in a very serious depression.**

This is very visible in the next chart (see below). The euroland industrial production index is FLAT since 1998, with Germany's index up 30%, the French one down -10% and the Italian and Spanish ones down- 20% each.



This is a zero sum game if there ever was one, with Germany being the main winner and the other three economies massive losers. **Instead of leading to convergence in euroland economies, the euro project has led to massive divergences, with the strong getting stronger, and the weak getting weaker.**

For these trends to change, we would need radical change. We are not talking about retirement age being nudged up a year in one country, or a rules for firing people liberalized an iota in another. We would need to see bloated states firing 20% to 40% of civil servants, and the government spending share of GDP to plunge; the cost of labor to fall by at least -20% relative to the cost in Germany; the return on invested capital in Europe's South to move above the ROIC not just in Germany but also in Eastern Europe. **There is zero chance of these types of reforms taking place.**

Which means the logical end of the euro experiment is thus to have all the European factories in Germany or its office bases in the East and none in the South of Europe where the costs are too high and will remain too high under almost any scenario. We have already part of this journey, which I fully expected when I wrote in 2000 that the euro was going to lead to *"too many houses in Spain, too many civil servants in France and too many factories in Germany."*

The dire truth is that one cannot maintain a fixed exchange rate among countries which have different underlying productivity growth rates, different social systems and different political arrangements. Nothing will ever change this reality.

* * *

Conclusion

The ECB has thrown enough money at the market to, for now, reduce borrowing costs and allow equity prices to rise (unfortunately so is the euro, threatening exports). This buys time—but these actions are not enough to solve the **structural** problems created by the euro. The private sector has shriveled in Southern Europe, as government spending and debt has soared. If we have France, Italy and Spain together enter a debt deflation/debt trap, the crisis will be far too big for Germany to handle: and if this happens before German federal elections are held (no later than October) we could see the European political crisis revive in full force. **Do not trust the Potemkin façade of the euro.** I would not own fixed income in any country in euro land, especially with the euro being so strong. Only equities in the freest parts of the economy should be considered

* * *

For much more on why without external devaluation - i.e., with a fixed currency regime - Europe's periphery is doomed to see another 30-50% in wage decreases before it all falls apart read ["Next Up For A "Recovering" Europe: A 30-50% Collapse In Wages In Spain, Italy And... France"](#)

Euro Ministers Seek New Crisis Momentum as Unrest Returns

By Patrick Donahue - Feb 11, 2013 12:01 AM GMT+0100

69,40

European finance chiefs will seek to win back crisis-management momentum to navigate the currency area through emerging political pitfalls after markets signaled last week that the three-year crisis is far from over.

Ministers from the 17-member euro area meet in Brussels today to discuss aid to Cyprus and Greece as a tightening election contest in Italy and a political scandal in Spain disrupt market calm. Group of 20 finance chiefs and central bankers will gather in Moscow Feb. 15-16.

A woman walks past the European Union Commission headquarters in Brussels. Photographer: Dan Kitwood/Getty Images

“We don’t know yet how we’re going to get out of the crisis,” [Wolfgang Franz](#), the chairman of Chancellor [Angela Merkel](#)’s council of economic advisers, told [Welt am Sonntag](#). “If the crisis is a marathon, we’ve got two-thirds of the course behind us. But the last third is always the hardest.”

European Union leaders who last week reached a seven-year budget agreement that for the first time cuts spending will look ahead to Italy’s Feb. 24-25 elections as polls show the vote might fail to deliver a governing majority. European stocks last week posted a second weekly drop as investor concern about policy roadblocks in Italy and Spain revived.

Yields on Italian 10-year bonds climbed to a year-to-date high of more than 4.5 percent as former Premier [Silvio Berlusconi](#) narrowed the lead of front-runner [Pier Luigi Bersani](#). The euro’s climb was broken last week, falling 2 percent against the U.S. dollar to \$1.3365, after European Central Bank President [Mario Draghi](#) voiced concern that euro strength could hamper the recovery.

‘Price Stability’

Draghi’s statement came after the euro climbed as high as \$1.37 on Feb. 1, injecting a new dimension into efforts to overcome the crisis. The ECB president joined Merkel’s government in countering calls by French [President Francois](#) Hollande to steer the value of the euro lower to boost growth.

“The exchange rate is not a policy target, but it is important for growth and price stability,” Draghi said on Feb. 7. “We want to see if the appreciation is sustained, and if it alters our assessment of the risks to price stability.”

While Draghi reiterated that growth in the euro area should gain steam later this year, a rise in the euro could dampen a recovery by weighing on exports and cooling inflation.

Merkel adviser Franz, who is president of the ZEW institute, cited the Italian election, the Cypriot bailout, Spanish Prime Minister [Mariano Rajoy](#)’s scandal and continuing programs in Greece and Portugal as possible crisis hurdles.

Lead Shrinks

“That the worst of the euro crisis behind us, I’d rather not yet weigh in on that,” Franz told Welt in the interview.

Italians may have to return to the polls if the election later this month results in a so-called hung parliament, Stefano Fassina, who oversees economic policy for front-runner Bersani, said in a Twitter statement last week.

A media blitz by Berlusconi has gained traction and shrunk Bersani's once-sizable lead. The final polls of the campaign showed Feb. 8 that while Bersani still leads, he may need to forge an alliance with outgoing Prime Minister [Mario Monti](#).

Bersani could win an outright majority in the Chamber of Deputies, with an average six-point lead over Berlusconi's bloc, five polls from Feb. 8 show. Still, he may fall short of a Senate majority, which could force him to team up with Monti and risk alienating allies in his center-left coalition.

Next week's presidential election in Cyprus could also influence the crisis schedule. The country has been in talks to become the fifth recipient of rescue aid, though euro area leaders are awaiting a new leadership that may be more amenable to demands such as privatizing state assets.

Cyprus Bailout

[Nicos Anastasiades](#), who leads the main opposition DISY party, is poised to win the Feb. 17 election, according to three final polls. A runoff in Cyprus will be held Feb. 24 if none of the candidates next week wins an outright majority.

The Cyprus bailout is fraught because any aid package could approach the size of the island nation's 18 billion-euro (\$24 billion) economy even as accusations are made about tax fraud and deposits by Russian billionaires.

ECB Executive Board Member [Joerg Asmussen](#) warned that a failure to agree on a package for Cyprus would throw the progress achieved by policy makers into danger. He told [Handelsblatt](#) he expects a decision by the end of March.

"If we allow a system-relevant country to fall, we risk the progress" achieved last year, Handelsblatt cited him as saying. Cyprus will default without a rescue, he said.

Allegations Denied

In Spain, Rajoy's government sought to rebut corruption allegations that spurred a rise in the country's borrowing costs. The [10-year bond yield](#), which dropped below 5 percent a month ago, rose above 5.5 percent Feb. 7.

Last week in Berlin, Rajoy repeated his denial of allegations in El Pais newspaper that he or members of his People's Party received illegal payments. Merkel offered her backing to Rajoy at a Feb. 4 press conference, lauding the premier for his efforts to repair the Spanish economy.

Today's euro group meeting, which will be attended by International Monetary Fund Managing Director [Christine Lagarde](#), will be followed by a tribute to Luxembourg Premier [Jean-Claude Juncker](#), who stepped down as euro group chairman this year. Dutch Finance Minister [Jeroen Dijsselbloem](#) succeeded him.

EU budget summit ends in compromise

After [lengthy negotiations](#), the EU heads of state and government agreed on the financial framework for 2014-2020 on Friday. The EU Parliament has said it is ready to oppose the budget, which for the first time is smaller than the previous one. While some commentators are unhappy that solidarity and competitiveness were sacrificed to arrive at the compromise, others find it remarkable that an agreement [was reached at all](#).

Wiener Zeitung - Austria

Muddling through instead of competitiveness

The budget compromise is retrograde and sends the wrong message entirely for Europe's competitiveness, the state-run liberal daily Wiener Zeitung believes: "Politics is the art of the doable - in normal times. On days like these, politics is the art of speaking clearly and being willing to be creative. The heads of government at the budget summit did none of this. Their politics is faint-hearted, aimless and simply a little less of what we already had. ... The opportunity to send a clear signal to industry and research has been missed. The opportunity to make a statement with the EU budget that Europe is fully aware of its role in the world has been missed. While in the US, President Obama took on a 'big deal' on the budget and countries like China, Japan and South Korea are getting ready to strengthen their industry, Europe will continue to support its agriculture. This is not to downplay the importance of agriculture, but it is not the decisive sector when it comes to global competitiveness." (11/02/2013)

[» full article \(external link, German\)](#)

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Who's saying what [» EU budget new bone of contention](#)

Hotnews - Romania

Europe nothing but fight over money nowadays

The EU heads of state and government negotiated for approximately 26 hours to agree on a reduced budget. For the news website Hotnews, the fierce bickering does not show the EU in a positive light: "As a result of the European economic crisis, the media are giving far closer coverage to the negotiations on the EU budget. But as far as the average European on the street is concerned, this game is just about national pride. ... The leaders have shown what Europe is: a quarrel over money. The need for 'more Europe' and [stronger political integration](#) seem to have been completely swept from the table. Of course the heads of state and government aren't keen on the idea of giving Brussels more political competences. Because these politicians have made a hobby of night-time negotiations, and that would remove a large part of their power. And it would turn the EU from being a scapegoat - as the leaders like to use it nowadays - into a far more concrete entity." (11/02/2013)

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All available articles from [» Vlad Mixich](#)

Who's saying what [» EU budget new bone of contention](#)

De Tijd - Belgium

EU Parliament must reject budget

The EU Parliament must not approve the new budget because it will lead to less Europe, the business paper De Tijd warns: "Herman Van Rompuy has offered the European countries bread and games in exchange for less Europe. In so doing he has been successful as president of the European Council. ... But as the embodiment a European institution he has failed. Not only is the agreement a mortgage on the future of Europe, it also strengthens the baneful misunderstanding that Europe is nothing but a machine for distributing money, and that at the end of the day it's every country for itself. ... The European Union was founded as a project of solidarity, and its only future lies in the spirit of togetherness. This Union was written off by Europe's leaders last week. Now there is only one body that can re-establish the balance: the budget has yet to receive the [blessing of the European Parliament](#). ... It's time for the MEPs to show their colours: for Europe's best interests or for bread and games at home." (11/02/2013)

[» full article \(external link, Dutch\)](#)

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All available articles from [» Kris Van Haver](#)

Who's saying what [» EU budget new bone of contention](#)

Politiken - Denmark

At least the EU still functions

Given the profound crisis in Europe, the left-liberal newspaper Politiken sees the results of the summit as not too bad after all, pointing out that they are proof that the EU continues to function: "Certainly, the power of innovation could have been greater. Danish industry is right to say that with more money for research, innovation and infrastructure, the EU could have demonstrated a greater sense of responsibility. ... Nonetheless, in view of the deep economic and social crisis in the EU, this reform budget is a commendable advance. In the course of their history Europe and other regions of the world have seen crises of these dimensions profoundly undermine solidarity. This was not the case this time. The EU has demonstrated a robust political foundation and strong determination. And hopefully this will also manifest itself in a far greater strategic and green reform in the future." (09/02/2013)

[» full article \(external link, Danish\)](#)

More from the press review on the subject [» EU Policy](#), [» Fiscal Policy](#), [» Denmark](#), [» Europe](#)

Who's saying what [» EU budget new bone of contention](#)

Welt am Sonntag - Germany

Germany puts its faith in London-Berlin axis

At 960 billion euros, the financial framework negotiated on Friday is considerably lower than the sum proposed by Council President Herman Van Rompuy [in November](#). This means the prerequisite for the British staying in the EU has been fulfilled, the conservative daily Welt am Sonntag notes with approval, adding that the move was possible because Germany gave up its blind loyalty to France: "Ever since François Hollande won the election, Paris has cast itself as the organiser of the lame economies of Europe and positioned itself against Germany. Berlin has now made it clear that it will form other alliances if necessary and thus turned itself into the key pole of the EU power structure, exerting the greatest influence from all sides thanks to its openness. And indeed Germany's interests do dovetail more often with the UK's than with those of Paris. Therefore it is important for Berlin to position itself between the two big players. At any rate France, [with its encrusted fiscal policy](#), is clearly not a good adviser on what Europe needs to attain a better future." (10/02/2013)

[» full article \(external link, German\)](#)

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All available articles from [» Clemens Wergin](#)

Who's saying what [» EU budget new bone of contention](#)

The Times - United Kingdom

British still pay too much

British Prime Minister David Cameron was able to push through his [demand](#) for cuts in the EU budget at the EU summit. But the conservative daily The Times is still not happy with the result, feeling it will continue to cost Britain taxpayers too much: "In terms of what they were demanding, the French President has suffered a defeat, his British counterpart has triumphed. Yet at the end of it, France has a bigger economy but is a considerably smaller net contributor to the budget. So while Mr Cameron will be pleased with his night's work and feel that he could not practically have done more, accepting this judgement should not involve being satisfied with the budget that has emerged. On the first and twentieth working day of every month, hundreds of millions of pounds of taxpayers' money is deducted from the Exchequer account to pay the EU. It is still too much. And still not spent well. It is a cost that adds to the growing Euroscepticism in Britain, and rightly so." (10/02/2013)

[» more information \(external link, English\)](#)

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Who's saying what [» EU budget new bone of contention](#), [» Cameron flexes his muscles](#)

Deutschland, die Melkkuh der EU?

10.02.2013 · Seit der Wiedervereinigung hat Deutschland mehr als 200 Milliarden Euro Nettozahlung geleistet. Das sind rund 45 Prozent der gesamten Nettobeiträge aller zehn EU-Nettozahler - weit überproportional zu Deutschlands Wirtschaftsleistung.



© dpa

Lange haben die Staats- und Regierungschefs gerungen - und nun, nach einem gescheiterten ersten Anlauf, eine Einigung über den EU-Finanzrahmen 2014 bis 2020 erzielt. Nach dem am Freitag in Brüssel präsentierten Kompromiss soll der Finanzrahmen auf 960 Milliarden Euro begrenzt werden. Rechnet man Schattenhaushalte mit ein, liegt die Obergrenze für die Ausgaben bei einer Billion Euro. EU-Parlamentspräsident Martin Schulz wettete, die Einigung sei ein „unmögliches Täuschungsmanöver“, weil die Obergrenze nicht voll ausgeschöpft wird und tatsächlich weniger Ausgaben vorgesehen sind. Legen die EU-Parlamentarier ein Veto ein, würde der alte Finanzrahmen fortgeschrieben und jährlich um 2 Prozent erhöht.

Auffällig ist, dass in Brüssel zwar wie auf einem Basar über die Ausgabenhöhe gefeilscht wird. Woher das ganze Geld kommen soll, wird aber nur am Rande thematisiert. Das System der Beiträge wurde nicht wesentlich angetastet, es gab nur marginale Änderungen bei den Rabatten für die großen Nettozahler wie Deutschland, Österreich, die Niederlande, Schweden und jetzt neu Dänemark. Den mit Abstand größten Rabatt haben die Briten - seit Margaret Thatcher („I want my money back“) ihre Handtasche auf den Tisch schlug. Er macht 66 Prozent des Nettobeitrags aus, zuletzt 3,5 Milliarden Euro im Jahr 2011. Die Briten sind damit die EU-Rabattmeister.

Monti: Italien ist der größte Nettozahler

Doch wer darf sich mit dem zweifelhaften Titel „Zahlmeister“ schmücken? Die Politik traut sich nicht, einmal eine längerfristige Bilanz aufzustellen, die alle nationalen Zahlungen, Rabatte und Rückflüsse umfasst. Deutschland ist ohne Zweifel einer der größten Nettozahler, aber ist es wirklich der größte? Jüngst reklamierte Italiens Ministerpräsident Mario Monti diesen Titel, weil sein Land im vorvergangenen Jahr einmal die höchsten Nettozahlungen - 0,38 Prozent des Bruttonationaleinkommens (BNE) - geleistet hat. Die Niederländer und die Belgier haben über Jahre ähnlich hohe BNE-Anteile an Brüssel überwiesen.

Ist Deutschland also gar nicht der Zahlmeister? Nach einer aktuellen Rechnung des emeritierten Heidelberger VWL-Professors Franz-Ulrich Willeke über den Zeitraum 1991 bis 2011 ist Deutschland sowohl absolut als auch relativ mit Abstand der größte Zahler. In diesen 21 Jahren beliefen sich die angepassten nationalen Beiträge (nach Rabatten) Deutschlands auf 383,6 Milliarden Euro. Aus Brüssel flossen an operativen Ausgaben über die diversen Subventions- und Fördertöpfe sowie Regional- und Strukturfonds rund 213 Milliarden Euro nach Deutschland zurück. Die größten Empfänger der EU-Gelder waren die Peripherie- und heutigen Krisenländer; inzwischen ist Polen mit seinem großen Agrarsektor der Hauptempfänger von EU-Geldern.

Deutschlands Nettozahlungen belaufen sich seit Beginn der neunziger Jahre auf 170,6 Milliarden Euro - rund 45 Prozent der gesamten Nettobeiträge der zehn Nettozahler in diesem Zeitraum. Dieser Anteil ist deutlich überproportional zur deutschen Wirtschaftsleistung, die im betrachteten Zeitraum zwischen einem Viertel und einem Fünftel des aggregierten Bruttoinlandsprodukts der EU-Mitglieder lag. Zählt man weitere Zahlungen hinzu, etwa Zolleinnahmen und andere Abgaben, die an Brüssel abgeführt werden, lag die Nettobelastung Deutschlands seit der Wiedervereinigung noch deutlich höher: bei über 200 Milliarden Euro. Um zu wissen, wie viel diese Summe heute real wert wäre, hat Willeke die Zahlungen mit der Inflation hochgerechnet. In heutigen Preisen belaufen sich die deutschen Nettobelastungen seit 1991 auf fast 250 Milliarden Euro.

Schon seit langem, findet Willeke, ist die EU damit eine ganz erhebliche Transfer- und Umverteilungsunion - nicht erst seit im Zuge der „Euro-Rettung“ Hilfspakete in Milliardenhöhe an die Peripherie gereicht werden. In den kommenden Jahren wird der deutsche Nettobeitrag zum EU-Haushalt steigen, weil die Förderung für viele Regionen in den ostdeutschen Bundesländern gekürzt wird und mehr Geld nach Ost- und Südeuropa fließt.

Sicherlich profitiert Deutschland in hohem Maße davon, dass es den EU-Binnenmarkt gibt. Für die exportorientierte Wirtschaft ist der gemeinsame Markt ein großer Vorteil, auch die Konsumenten profitieren. Dass es Transfers zwischen starken und schwachen Ländern als Ausdruck europäischer Solidarität und als Entwicklungshilfe gibt, dagegen hat Willeke nichts einzuwenden. Nur sollte die Belastung der Nettozahler proportional gleich sein, fordert Willeke. Eine solche Gleichbehandlung der Nettozahler entsprechend ihrer Wirtschaftskraft wäre gerecht und solidarisch (den Nettoempfängern würde nichts genommen).

Hätten alle Nettozahler den gleichen prozentualen Anteil ihres BNE zur Finanzierung der EU-Ausgaben geleistet, nämlich alle 0,2 Prozent jährlich, so hätte Deutschland seit den neunziger Jahren gut 60 Milliarden Euro weniger zahlen müssen. Dies sei die Differenz zwischen den geleisteten und den „angemessenen“ Beiträgen, hat Willeke errechnet. Angesichts solcher Summen sieht er Deutschland nicht nur als Zahlmeister, sondern als „Melkkuh“ der EU.

Quelle: ppl./F.A.Z.

Altmaier gibt Fracking in Deutschland kaum Chancen

11.02.2013 · Umweltschützer würden „Fracking“ am liebsten verbieten. So weit will Umweltminister Altmaier nicht gehen. Doch er will strikte Auflagen.



© dapd

„Ich sehe auf absehbare Zeit nicht, dass irgendwo in Deutschland Fracking zur Anwendung kommen kann“:
Peter Altmaier

Bundesumweltminister Peter Altmaier gibt der umstrittenen Förderung von Schiefergas in Deutschland in den kommenden Jahren keine Chance. Mit neuen Regelungen für das sogenannte Fracking solle der Einsatz erschwert werden. „Die Botschaft ist, wir wollen einschränken, wir wollen es nicht ermöglichen“, sagte der CDU-Politiker am Montag im Deutschlandfunk. „Im Übrigen sehe ich auf absehbare Zeit nicht, dass irgendwo in Deutschland Fracking zur Anwendung kommen kann.“ Er empfehle auch dringend allen Beteiligten, in der nächsten Zeit keine Anträge zu stellen, sagte Altmaier mit Blick auf Tests mit dem Verfahren, die in Deutschland bereits begonnen worden.

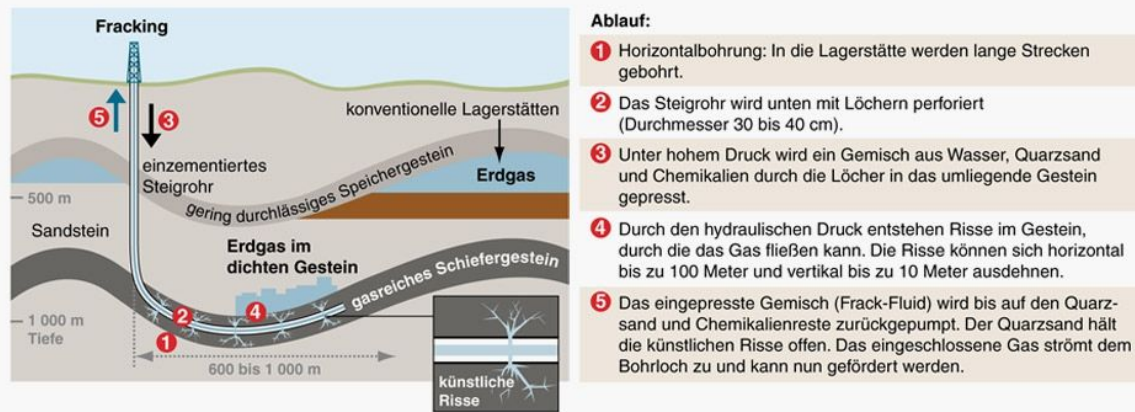
Bisher existieren keine klaren Regelungen, die auf Fracking zugeschnitten sind. Das Bergrecht gibt ihm aber großen Spielraum. Während Umweltschützer es generell verbieten wollen, wollen Union und FDP es mit einem neuen Gesetz unter strikten Auflagen regeln, aber nicht ausschließen.

Mit Auflagen soll Unterstützung von rot-grünen Ländern gewonnen werden

Eine Arbeitsgruppe „Fracking“ hat sich auf Eckpunkte geeinigt und fordert die Regierung in einem Brief an Wirtschafts- und Umweltministerium zu Gesetzesvorschlägen auf. Die Punkte sehen eine Umweltverträglichkeitsprüfung sowie einen umfassenden Schutz von Grund- und Trinkwasser vor. Mit den Auflagen soll auch die Unterstützung von rot-grün regieren Ländern gewonnen werden, damit das Vorhaben den Bundesrat passieren kann. Den Grünen gehen diese aber nicht weit genug.

Erdgasgewinnung durch Fracking

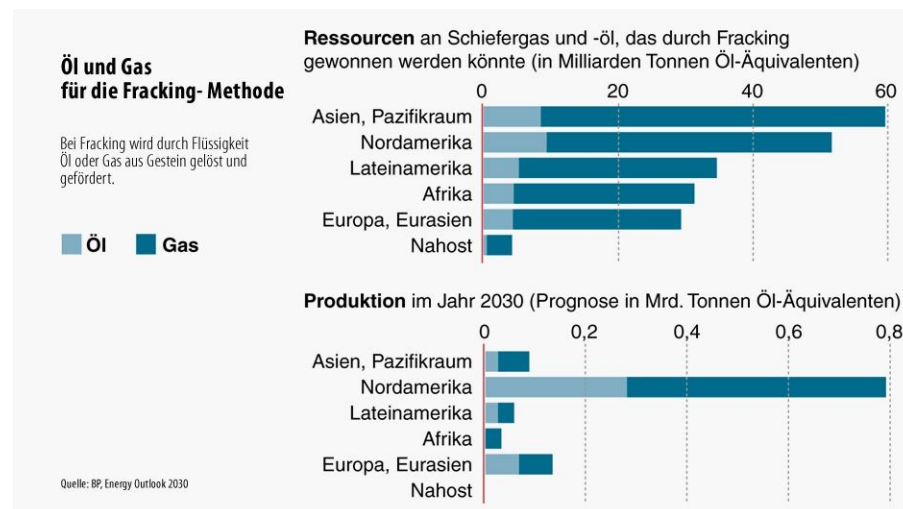
Das umstrittene Fracking wird zur Gewinnung von Erdgas aus Gesteinsporen eingesetzt. In Deutschland wird das Gas in unkonventionellen Lagerstätten vor allem in Nordrhein-Westfalen, Niedersachsen, Nord-Hessen und dem Oberrheingraben vermutet.



Quelle: Umweltbundesamt

Fracking hat in den Vereinigten Staaten zu einem Gasboom mit einem Preisverfall geführt, der den Standort vor allem für energieintensive Betriebe weltweit interessant macht. Der Chemiekonzern [BASF will selbst in die Förderung einsteigen](#) und dies auch in Deutschland testen. Es ist vor allem aber wegen Gefahren für das Grundwasser umstritten: Beim Fracking werden Wasser und Sand mit Chemikalien vermischt und dann unter hohem Druck in Schiefergestein gepresst, um dieses aufzubrechen und unerschlossene Reserven freizusetzen.

Heimische Erdgas-Vorräte decken in Deutschland derzeit etwa 14 Prozent des Verbrauchs, allerdings mit stark sinkender Tendenz.



In Amerika sind die Unternehmen bislang nicht einmal verpflichtet, alle Chemikalien offen zu legen, die beim Fracking eingesetzt werden. In Deutschland hat unter anderem das Umweltbundesamt auf Risiken hingewiesen. Der Widerstand von Bürgerinitiativen und in den Wahlkreisen ist groß. Bereits die Speicherung von Kohlendioxid in ehemaligen Gas-Lagerstätten war an Protesten gescheitert.

Quelle: RTR

<http://fr.euronews.com/2013/02/08/budget-europeen-un-accord-au-forceps/>

Budget européen : un accord au forceps

08/02 20:25 CET

69,48

VIDEO 6 minutes

02/11/2013 12:17 PM

69,49

Calls for Cheap Euro

ECB Caught in Currency-War Crossfire

By Martin Hesse and [Anne Seith](#)

Central banks around the world are trying to cheapen their currencies in order to boost their economies. This is making the euro more expensive and endangering the recovery of Europe's stricken economies. But the European Central Bank is resisting growing calls to join in the currency war.

Billionaire investor George Soros and French President François Hollande, a Socialist, are in agreement: The world is on the verge of a currency war, and it threatens to destroy Europe.

The Europeans should finally enter the fray and do battle with all their might, says Soros, who made some of his fortune by betting against the British pound. "Europe is an outsider," the 82-year-old recently said at the Davos World Economic Forum. He blamed the European Central Bank (ECB), which he called the last representative of an outdated central bank policy.

Hollande doesn't put it as clearly, but he means the same thing. "A currency zone must have an exchange rate policy, or it will end up with an exchange rate that doesn't correspond to the actual state of its economy," the Socialist told the European Parliament in Strasbourg last week.

These remarks were intended for Mario Draghi, the president of the Frankfurt-based ECB. Hollande's message is that he should protect the euro's exchange rate. The central bank chief is coming under increasing pressure because he can't quite bring himself to embrace the concept of quantitative easing, the latest fashion in the world of finance. It involves central bankers engaging in the large-scale purchase of bonds issued by their governments and other securities, thereby injecting huge sums of money into the financial system. In this way, they hope to stimulate the domestic economy and keep their own currencies cheap, thereby strengthening exports. Soros believes that this is the only way countries can grow out of their large debts.

But a country that artificially pushes down its exchange rate is obtaining competitive advantages at the expense of others. And if they manipulate their own currencies, all sides will end up losing out.

Japan has taken the most aggressive approach so far. Under pressure from the newly-elected government, Masaaki Shirakawa, the governor of the Bank of Japan, has announced plans to buy up unlimited amounts of government bonds and securities in the future. The country is in the process of "boldly rebuilding" monetary policy, Prime Minister Shinzo Abe declared. Indeed, the Japanese yen has lost 12 percent of its value against the dollar in the last two months.

The US central bank, the Federal Reserve Bank, has also been printing money to a previously unimaginable extent since the financial crisis. Calling its efforts QE 1 and QE 2, the Fed has pumped more than a trillion dollars into the US economy.

For years, China has defended its currency by pegging the exchange rate to the dollar, and the Swiss National Bank now only permits appreciation of the franc up to a certain limit, because investors have viewed the Swiss currency as one of the last safe currencies since the outbreak of the sovereign debt crisis in Europe.

A "tsunami" of cheap money is rolling across the world, Brazilian President Dilma Rousseff said more than a year ago. The consequences are disastrous for emerging economics like Brazil, because their currencies steadily appreciating in world markets.

But Europe too could end up as one of the big losers. Since the euro crisis has abated a little, the exchange rate for the common currency has appreciated, which could thwart an economic recovery in the continent's crisis-stricken countries. Efforts to make the French economy more competitive could also be in vain, Hollande warns.

But how should Europe defend itself? In theory, central banks are supposed to fight inflation. But the more money they print, the less it will eventually be worth -- a painful experience that Germany, in particular, had to make in the last century. For this reason, Bundesbank President Jens Weidmann issued an especially vociferous warning against a "politicization" of exchange rates and "alarming violations."

ECB President Draghi doesn't want to take part in the global depreciation race either. True, the ECB repeatedly launched programs to buy up government bonds during the euro crisis, to Weidmann's dismay. But they seem tiny by international comparison, and apparently Draghi has no intention to go any further. He sees no reason for a change of course, he says, "just because other central banks are changing."

On the other hand, someone standing in the middle of a battlefield eventually has to defend himself. "Otherwise the euro exchange rate would explode," says Jörg Krämer, chief economist at the major German bank Commerzbank. But if the conflicts escalate, there can only be losers, he added. "We would experience an international devaluation race," Krämer warns. "This would invariably go hand in hand with constantly rising inflation rates and a damaged global economy."

There is probably only one solution to the problem: an international peace treaty between the generals in this new war, the international central bankers.

Translated from the German by Christopher Sultan

EU budget: The European Union has been paralyzed

11 February 2013

69,51

[Les Echos](#) Paris



[Mohr](#)

A EU without a vision of the future, turned in on itself, divided, deaf and blind to the world it lives in: this is the face of Europe emerging in the wake of the “impoverished” budget agreement hammered out by the 27 on February 8.

[Nicolas Barré](#)

The draft EU budget that has been adopted is, dare we say it, impoverished. The text confirms the lack of economic ambition and vision of the bloc at a time when we find ourselves in direct competition with the continental countries such as the United States, China and India.

Those countries pursue strategies that aim for excellence in certain sectors and that promote their champions, spring boarding off their vast domestic markets to conquer the world. The draft EU budget does exactly the opposite: the future projects that could serve as a support for a European industrial strategy have been massacred. They represent just a fraction of the direct subsidies paid into agriculture and a little over a tenth of the total budget.

In contrast, we are rolling over past policies almost word for word, without asking whether they still have any relevance. And so we will continue to spend more than a third of the package over the next seven years on regional aid for countries in eastern and southern Europe.

But does Greece really need more money to build roads and roundabouts? Tensions within the eurozone have shown that these grant policies have failed because they are not conditional on verifiable and verified progress in governance, transparency and competition.

Sabotaging the general European interest

The crisis, the rapid transformation of the world economy and the extraordinary evolution of global power relations should have inspired a surge in Europe: a union against an America that is getting back on its feet, a union facing a conquering China, a union in a world in union where capital and talent are more mobile than ever before.

It was the economic crisis and terrible challenges of the 1930s that forged the federal U.S. government, whose budget climbed from 3.4 per cent of GDP in 1930 to 10 per cent by the end of the decade. History will record that Europe in crisis took the opposite path, as its budget shrank to 1 per cent of GDP. Challenges: immense. Ambition: zero.

We must draw political lessons from this mess. The budget debate has been taken hostage by one country, the United Kingdom, which may not even be part of the union tomorrow. David Cameron came to sabotage the general European interest, and he succeeded. Duly noted. In this case, though, let's follow this through to its logical conclusion: if the strategic thinking is not done at the eurozone level, the bloc will be doomed to impotence.

To get to that level, though, **relations with Germany must be repaired. That is another lesson from the drama in Brussels: the Paris-Berlin axis is no longer responsive.** Let's just ask ourselves a question: seen from Beijing or Washington, is the European paralysis really such bad news?

EU budget: An austerity budget cooked in German-British sauce

11 February 2013

Presseurop

69,53

Dziennik Gazeta Prawna, Die Welt, El País

For the European press, the budget adopted by the bloc on February 8 marks a contraction of Europe's ambitions and tilts the balance of power within the EU.

[According to Dziennik Gazeta Prawna](#), the outcome of the most recent EU summit is proof of “a substantial shift in the balance of power in Europe”, with France, once the most influential country of the Union, “finding itself on the defensive”. The daily stresses that this is a completely new trend —

The Union will head towards the free trade zone dreamt of by the British and supported by the Germans rather than the ‘solidarity-driven federal structure’ wanted by Paris.- [...]

Surprisingly, a rather exotic alliance was created by France, Italy, Spain and Poland in defense of financial transfers, [resulting in] a clash between the rich North of the Union and the poor South and East [...] However, there is no doubt that by imposing cuts Germany has shown its economic strength. Berlin's dictate will be even harsher, while abundant transfers from Brussels may turn out to be only a nice memory if the Franco-Spanish-Italian-Polish club fails to improve its competitiveness.

In Germany, [Die Welt believes](#) that there is always “too much of the old Europe in this compromise” and criticizes those who believe in a “European human right that guarantees that money will flow in from somewhere else.” **It also advises the German government to ease back on its historical partnership with France** —

Seldom before has Germany been such a heavyweight in the balance of power in Europe, one that by staying open to all sides remains compatible with all. Indeed, **German interests overlap more often with London than they do with those of Paris.**

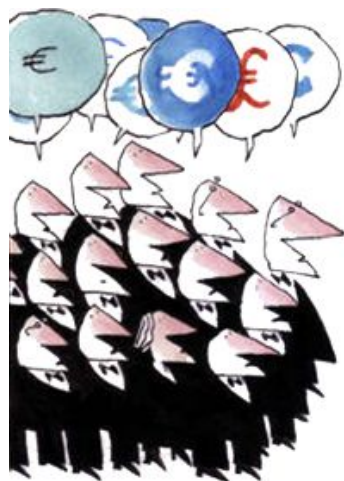
In contrast, [El País writes](#), “Europe is determined to treat pneumonia as if it were a simple cold [...] and has come up with a skimpy deal” that “commits to austerity – and the scissors – for the next decade.” The daily continues —

Five years into the crisis, European budgets serve as a kind of compass for the European project. The EU seems distracted: it is moving along between the old and the new regimes while the old order is still standing and the new order has not yet been firmly established. In the midst of these doldrums, Berlin (supported by London) is increasing its power, and a withdrawal back towards the national or intergovernmental levels is emerging.

European Council: The selfishness waltz

7 February 2013 [Le Monde](#) Paris

69,54



The EU's 27 leaders are now meeting to discuss the European Union's 2014-2020 budget and will probably reach an agreement. But they will do so by making the usual petty deals that compromise the future, warns [Le Monde](#).

It has become a tradition: the European heads of state and of government meet for a first summit in which differences are noted and which then fails. A second meeting usually allows the necessary compromise to be found in order to move ahead. And so it should be with the [European Council meeting on February 7-8](#), which should agree the Union's 2014-2020 budget after [first failing to do so in the autumn of 2012](#).

But perhaps moving ahead is putting it too strongly. This budget proposal is a relic of the past. Its structure is 20 years old. It represents less than 1 per cent of the Union's wealth. It is dominated by [spending on agriculture](#) and development aid to regions while [innovative projects suffer](#) variable adjustments.

It is difficult to garner enthusiasm for such an exercise. The French assert that agriculture spending is an investment for the future but their own experience belies this since their agro-business exports are now below those of Germany or the Netherlands.

Future investments sacrificed

The countries of the South and of the East are defending development aid, but they have not shown real efficiency in the face of the euro crisis. As for true investments in the future, they have been sacrificed. Europeans are unable to launch genuine research programmes and their infrastructure projects are a revival of major construction projects proposed by [former Commission president] Mr [Jacques] Delors – in 1994.

We have a right to expect much better. Europe is going through the most serious economic and social crisis since the war. Its currency nearly failed. Yet, it is making paltry changes. Although supporters of greater spending have found a just cause in defending the Erasmus university exchange programme, they themselves are not convinced of the value added to the budget.

Cutting their contributions

The result is inevitable: everyone is trying to reduce their contribution. David Cameron has already rescued the British rebate. The Germans, Swedes, Dutch and Austrians are attempting to follow suit. The high point of this

horse-trading is that discussions are focused on the spread between promised spending and actual spending to reconcile the donor and beneficiary countries.

This type of bartering is unworthy of Europe. It is time to devise a budget that prepares the future and shows true, federal solidarity for the regions hardest hit by massive unemployment. When they [received François Hollande in Strasbourg](#), the MEPs warned that, as it stands, they will not adopt the budget.

They are not wrong. Europe would not be deprived of its resources because its budget is renewed annually. Europeans must take advantage of the 2014 elections to define their collective budget aspirations. The new parliament and commission would then have a mandate to prepare the future. At last.

L'euro fort : fausses frayeurs et vrais dangers

LE MONDE ECONOMIE | 11.02.2013 à 11h06 • Mis à jour le 11.02.2013 à 15h04 Par Jean Pisani-Ferry, Institut Bruegel

69,56



Les dirigeants français, [Francois Hollande](#) en tête, s'alarment de la remontée de l'euro. Leurs homologues allemands rétorquent qu'il n'est pas surévalué. Qui a raison ? L'affaire est assez compliquée pour mériter une réponse en plusieurs temps.

Un, que disent les chiffres ? A 1,35 dollar pour 1 euro, la monnaie européenne est encore très en dessous des 1,55 dollar du printemps 2008. Vis-à-vis des vingt premiers partenaires de la zone euro, et correction faite des inflations relatives, le change est nettement plus bas qu'en 1994-1996 ou en 2006-2008. Berlin a raison : il n'y a pas le feu.

Deux, quelle est la tendance ? Jusqu'aux déclarations du président de la Banque centrale européenne (BCE) [Mario Draghi](#), le 7 février ([voir](#) la "citation" ci-dessous), l'appréciation était nette : en juillet 2012, l'euro était à 1,20 dollar.

Le redressement s'explique en partie par le regain de confiance dont bénéficie la zone euro, et le retour des capitaux qui l'avaient fuie. La sous-évaluation reflétait des anticipations d'éclatement de l'union monétaire. Ne regrettons pas qu'elle se corrige.

GUERRE DES MONNAIES

Trois, y a-t-il un risque de guerre des monnaies ? C'est vrai, la crise a changé les banques centrales. A l'automne 2011, la Banque nationale [suisse](#) a fixé un plafond au taux de change contre l'euro.

En décembre 2012, la Réserve fédérale américaine (Fed) a annoncé qu'elle maintiendrait les taux d'intérêt à zéro aussi longtemps que le taux de chômage resterait supérieur à 6,5 %. En janvier, le premier ministre japonais, [Shinzo Abe](#), a sommé la Banque du Japon d'[atteindre](#) 2 % d'inflation. Il a demandé au gouverneur de [venir](#) lui [rendre](#) compte trimestriellement de ses résultats.

Et la semaine dernière [Mark Carney](#), qui prendra en juillet les rênes de la [Banque d'Angleterre](#), a déclaré que les concepts actuels de [politique](#) monétaire méritaient un débat. Aucune de ces décisions ne rompt formellement avec le primat de la stabilité des prix qui domine depuis les années 1980, mais toutes reflètent la montée d'autres préoccupations et l'acceptation d'un certain risque d'inflation des prix des biens ou des actifs.

Quatre, la zone euro va-t-elle [payer](#) le prix de l'orthodoxie ? Face à la [crise financière](#), puis à celle de l'euro, la BCE a démenti les caricatures en se montrant audacieuse. Mais si elle n'a pas hésité à [fournir](#) de la liquidité aux banques et à [combattre](#) la fragmentation de la zone euro, elle s'est montrée plus traditionaliste en matière de stimulation macroéconomique.

PALLIER LA DÉFAILLANCE DU MARCHÉ INTERBANCAIRE

L'accroissement de la taille de son bilan ne doit pas [tromper](#) : il ne vise pas, comme pour la Fed, à [relancer](#) l'économie, mais à [pallier](#) la défaillance du marché interbancaire. En termes techniques, la BCE mène une politique de liquidité hétérodoxe mais sa politique monétaire reste plutôt orthodoxe.

D'ailleurs plus l'action qu'il conduit pour préserver l'intégrité de la zone euro est contestée par les faucons de la Bundesbank, plus Mario Draghi est contraint de se [montrer](#) strict sur le front de l'inflation. D'où un risque sur le change, face à d'autres banques centrales aujourd'hui moins sourcilleuses.

Cinq, un euro surévalué serait-il grave ? Comme beaucoup d'économies continentales, la zone euro est relativement peu ouverte : elle exporte et importe de l'ordre d'un quart de son produit intérieur brut. L'impact des variations du change est donc limité. Cependant c'est une économie coupée en deux, entre un Nord prospère qui tutoie le plein-[emploi](#) et un Sud en profonde récession.

Cela ne peut pas [durer](#) très longtemps. Or, Zsolt Darvas, de Bruegel, et Gian Maria Milesi Ferretti, du Fonds monétaire [international](#), ont l'un et l'autre montré que le redressement du Sud ne pouvait pas seulement s'opérer vis-à-vis du Nord : pour résorber leurs déficits et [reconstruire](#) leur économie, l'[Espagne](#) ou l'[Italie](#) - la France aussi - ont besoin d'[exporter](#) davantage vers l'extérieur. Un euro à 1,50 dollar mettrait ce rééquilibrage en risque.

VIEUX FANTASME FRANÇAIS

Six, que [faire](#) ? L'idée d'une politique de change de l'euro qui surplomberait la politique monétaire est un vieux fantasme français auquel l'[Allemagne](#) a tordu le cou dès le premier jour : la primauté de l'objectif interne sur l'objectif externe est constitutive de l'euro.

Des déclarations du G7 ou du G20, voire des interventions concertées sur les marchés, ne peuvent être efficaces que si elles corrigent des perceptions erronées ; elles ne serviront à rien si l'anticipation de divergence des politiques monétaires est justifiée.

Le vrai espoir est d'abord que la BCE prenne en compte le change dans son appréciation des risques économiques. Elle peut encore [baisser](#) les taux, et Mario Draghi ne l'a pas exclu. Il est ensuite que les banques centrales s'accordent sur le degré acceptable de différenciation de leurs politiques, mais restent suffisamment cohérentes entre elles pour ne pas [laisser](#) de place à une guerre des monnaies.

C'est moins sûr. Car si elles ont su se [coordonner](#) depuis plus de vingt ans, ces institutions sont toutes politiquement affaiblies. Entre elles, comme au sein d'un G20 en voie de déliquescence accélérée, le ciment de la coopération internationale se délite. Là est le vrai danger.

Jean Pisani-Ferry, Institut Bruegel

Sovereign Defaults Past And Present In One Chart

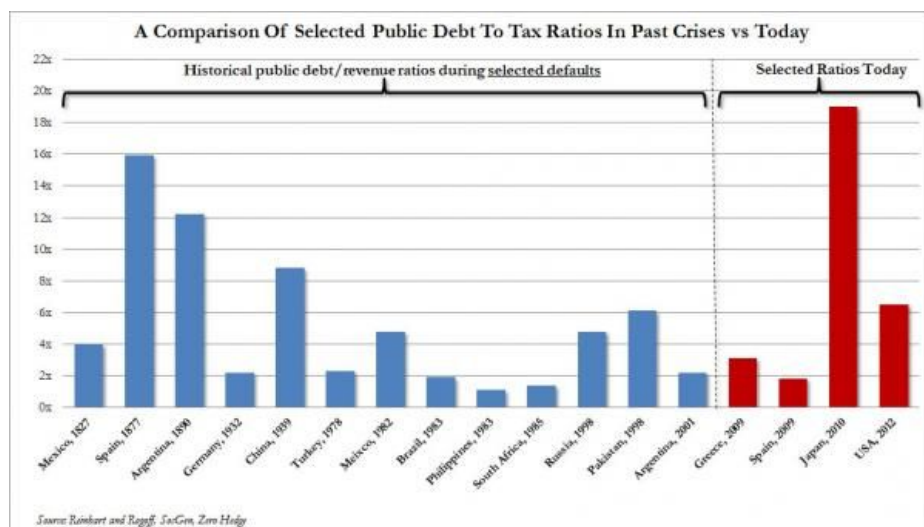
Submitted by [Tyler Durden](#) on 02/11/2013 12:37 -0500

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When a sovereign nation accumulates too much debt, far more than its economic growth can sustain, there are only two ways out: inflating the debt away, or defaulting. The global central banks have bet not only the house but the entire \$700 trillion derivative house of cards that they can generate the former in order to preserve the equity tranche (controlled by the same entities that also control the central banks) above the insurmountable global debt load, and certainly there are more than enough historic examples of instances where a nation literally destroyed its currency by hyperinflation in order to eliminate the debt overhang. Because when it comes to getting the Goldilocks outcome of just enough inflation to slowly grind the debt away, the track record of the world's central planners is simply woeful.

The flipside to the great reflation operation is that while Bernanke and company try year after year to bring enough base money into the system to generate the "virtuous" inflationary cycle, they are increasingly hitting against the statutory limit, which in this case is the amount of debt in the system that keeps on rising year after year, until one day the central banks will have run out of time. This is the moment when global debt - both at the individual sovereign level and consolidated - is so vast, default is the only option. In other words, one can only attempt to reflate so many times before the time runs out.

As the chart below shows, in some 200 years of history, when expressed as a *ratio of total sovereign debt to tax revenues*, the empirical data as compiled by Reinhart and Rogoff ranges from 2x to 16x. This is shown by the blue bars in the chart below.



So where are we in this cycle as the debt clock counts down?

As the red bars show, we are in a very uncomfortable place, with Japan now at the highest such ratio in history, well above the highest recorded which always ended up in default, while the US, whose such ratio is over 600%, is above the long-term average of circa 520% in default triggering public debt/revenue. The problem is that every current and subsequent attempt to reflate merely pushes both of these higher, until one day the marginal growth creation of every dollar in new debt becomes negative.

How much higher can consolidated global debt go before global GDP is not only no longer growing, but every incremental dollar in debt has a negative impact on GDP, as was the case for the US in the fourth quarter? Keep an eye on global economic growth: if and when the world enters outright recession: the most feared outcome by all central bankers who realize they are out of weapons and their only recourse is much more of the same, that may be cue to quietly leave town.

G 7 erwägen Signal gegen Währungskrieg

11.02.2013 · Die Gruppe der sieben großen Industriestaaten steht kurz vor einer gemeinsamen Erklärung gegen politisch gesteuerte Wechselkurse, um Abwertungswettläufen entgegenzuwirken. Japan dürfte es schwer fallen, das Bekenntnis uneingeschränkt mitzutragen.

Von [Werner Mussler](#), [Stefan Ruhkamp](#), [Patrick Welter](#)

Die Finanzminister der sieben großen Industriestaaten (G 7) erörtern eine Erklärung, um Sorgen vor einem „Währungskrieg“ zu ersticken. Der Entwurf enthält ein Bekenntnis zu marktbasierter bestimmten Wechselkursen. Vor allem Japan dürfte es schwer fallen, das mitzutragen. Das Land hatte im Januar mit der Lockerung seiner Geldpolitik und der Yen-Abwertung die Debatte über einen Abwertungswetlauf aufflammen lassen. Die Erklärung der G 7 soll noch vor dem Treffen der Finanzminister und Notenbankgouverneure der großen Industrie- und Schwellenländer (G 20) am Wochenende in Moskau veröffentlicht werden. Offensichtlich versucht die Siebenergruppe, die Wechselkursfrage aus den G-20-Gesprächen herauszuhalten.

Die Vereinigten Staaten erklärten am Montag, die G-7-Staaten stünden in engem Kontakt. Es gebe eine große Übereinstimmung in der Gruppe, dass Wechselkurse am Markt bestimmt werden sollten, sagte die Staatssekretärin im Finanzministerium, Lael Brainard, in Washington vor Journalisten. Ausnahmen seien „seltene Umstände“, wenn zu große Schwankungen oder ungeordnete Bewegungen eine Kooperation erforderlich machen könnten. Die G-7-Finanzminister hatten sich zuletzt im September 2011 zu Wechselkursfragen geäußert und sich auch damals zu marktbasierter Wechselkursen bekannt.

Vereinigte Staaten fordern flexible Wechselkurse

„Die G-7 habe seit langem Regeln zur Wechselkurspolitik und Japan ist Teil der G-7“, sagte Brainard. Fiskal- und Geldpolitik sollten sich an heimischen Zielen orientieren, um so das eigene Wachstum und die Weltwirtschaft zu fördern. Brainard forderte die G-20-Gruppe der großen Industrie- und Schwellenländer auf, die Verpflichtung zu marktbasierter Wechselkursen zu erfüllen. Damit zielt Amerika vor allem auf G-20-Mitglied China, das den Wechselkurs des Renminbi-Yuan unter enger Kontrolle hält.

Russland, das in diesem Jahr der G-20-Gruppe vorsteht, hält sich in dem Wechselkursstreit bedeckt. Der Vize-Gouverneur der Zentralbank, Alexei Ulyukayev, hatte im Januar zwar vor „Währungskriegen“ gewarnt. Seither aber haben Regierungsvertreter das Thema heruntergespielt. Der Siebenergruppe gehören neben dem derzeitigen Vorsitzenden Vereinigtes Königreich Deutschland, Frankreich, Italien, Japan, Kanada und die Vereinigten Staaten an. Sorge über einen drohenden Abwertungswetlauf hatten zuletzt unter anderen EU-Währungskommissar Olli Rehn und der kanadische Finanzminister James Flaherty geäußert.

Frankreich klagt über Euro-Aufwertung

Auch die Finanzminister des Euroraums diskutierten am Montagabend in Brüssel über die Wechselkurspolitik. Der neue Vorsitzende der Eurogruppe, der niederländische Finanzminister Jeroen Dijsselbloem, sagte danach, man sei sich einig gewesen, dass das Thema – „wenn überhaupt“ – auf dem G-20-Treffen zu diskutieren sei. Der französische Finanzminister Pierre Moscovici hatte davor gesagt, der starke Euro sei auch „durch aggressiveres Vorgehen unserer Partner“ begründet. „Wir müssen einen gemeinsamen Ansatz finden“, forderte Moscovici. Es gehe darum, für stabile Wechselkurse zu sorgen, die die wirtschaftlichen Gegebenheiten in den einzelnen Währungsräumen widerspiegeln.

Moscovici ließ offen, wie weit der „gemeinsame Ansatz“ gehen sollte. **Frankreich fürchtet, dass seine Wirtschaft aufgrund des gestiegenen Euro-Kurses an Wettbewerbsfähigkeit verliert. Das Bundeswirtschaftsministerium wandte sich am Montag gegen eine politische Beeinflussung der**

Wechselkurse. „Maßnahmen, die auf die Schwächung der Währung abzielen, können keinen Beitrag zur dauerhaften Erhöhung der Wettbewerbsfähigkeit leisten“, teilte das Ministerium mit.

Bundesbankpräsident gegen Schwächung des Euro

Bundesbankpräsident Jens Weidmann sagte in Freiburg, für den Euro sei trotz der jüngsten Aufwertung keine gravierende Überbewertung zu erkennen. „Versuchen mehr und mehr Länder, die eigene Währung zu drücken, kann dies am Ende in einen Abwertungswettlauf münden, der nur Verlierer kennen wird“, sagte Weidmann laut Redetext. Die Erfahrungen mit politisch herbeigeführten **Abwertungen lehrten, dass sie meist zu keiner nachhaltigen Verbesserung der Wettbewerbsfähigkeit führten. „Häufig sind immer neue Abwertungen nötig.“**

Eine Wechselkurspolitik zur gezielten Schwächung des Euro werde am Ende **auf eine höhere Inflation hinauslaufen, warnte Weidmann.** Jörg **Asmussen**, Direktoriumsmitglied der Europäischen Zentralbank, betonte, Wechselkurse sollten marktbasierend sein. **Die Wechselkursdebatte dürfe nicht von Reformen in den Euro-Staaten ablenken.** Einen Währungskrieg dürfe es nicht geben, denn „bei einem Krieg gibt es immer nur Verlierer“, sagte er der Zeitung „Handelsblatt“.

Bankenverband sieht nur „Währungs-Scharmützel“

Der Internationale Bankenverband Institute of International Finance (IIF) forderte die G-20-Staaten am Montag in Washington zu einem klaren Signal für Zusammenarbeit und gegen unerwünschte Schwankungen der Wechselkurse auf. Das Risiko solcher Schwankungen der Wechselkurse sei gestiegen, seit die großen Zentralbanken ihre Geldpolitik stark gelockert hätten, heißt es in einem Schreiben an die G-20. Er glaube nicht, dass es derzeit einen Währungskrieg gebe, sagte der geschäftsführende Direktor des IIF, Timothy Adams, vor Journalisten in Washington. „Vielleicht gibt es ein kleines Scharmützel.“

Adams bezog sich damit darauf, dass die expansive Geldpolitik der großen Notenbanken heimisch orientiert sei. Die Zentralbanken müssten den Märkten überzeugend darlegen, dass ihre Geldpolitik auf das Inland und nicht auf den Wechselkurs ziele, erklärte Adams. So lässt sich seiner Meinung nach dem an den Finanzmärkten vorherrschenden Eindruck entgegenwirken, dass die Geldpolitik Wechselkurse zu manipulieren. Der Verband, dem mehr als 400 Großbanken angehören, rief die G-20-Staaten gleichwohl zu mehr Koordination in der Geldpolitik auf, auch um bei einer künftigen Straffung der Geldpolitik Wechselkursstürbungen zu vermeiden.

Japan argumentiert wie Amerika

Auslöser der Debatte ist Japan. Ministerpräsident Shinzo Abe hatte vor der Lockerung der Geldpolitik im Januar Druck auf die Bank von Japan ausgeübt und über einen zu starken Yen geklagt. **Die Regierung in Tokio bestreitet freilich, dass sie mit der Geldpolitik auf den Wechselkurs ziele. Sie argumentiert damit analog zu den Vereinigten Staaten.** Diese waren mit der zweiten Runde des Ankaufs von Staatsanleihen (quantitative Lockerung) durch die Notenbank 2010/11 in den Verdacht gekommen, den Wechselkurs des Dollar abwerten zu wollen. **Damals hatte der brasilianische Finanzminister Guido Mantega das Wort vom „Währungskrieg“ in die Welt gesetzt, weil die niedrigen Zinsen in den Industriestaaten zu Aufwertungsdruck in Schwellenländern führten.**

Die amerikanische Notenbank Federal Reserve bestreitet dabei nicht, dass ihre lockere Geldpolitik den Dollar schwächen könnte. Sie betont aber, dass die Geldpolitik an inländischen Erfordernissen orientiert sei. Netto würden die Schwellenländer profitieren, wenn mit der lockeren Geldpolitik in Amerika die wirtschaftliche Erholung in den Vereinigten Staaten vorankomme.

Euro fort : la France baisse d'un ton à Bruxelles

Par [Jean-Jacques Mevel](#) Mis à jour le 11/02/2013 à 21:36 | publié le 11/02/2013 à 19:41

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Pierre Moscovici, ministre de l'Économie et des Finances, face à Jeroen Dijsselbloem, président de l'Eurogroupe, hier à Bruxelles. Crédits photo : JOHN THYS/AFP

À l'Eurogroupe, Pierre Moscovici s'est montré moins offensif que François Hollande sur la parité de l'euro. Sur le fond, la France n'a guère reçu de soutien de la part de ses partenaires.

Faute d'allié déclaré, la France met une sourdine à sa volonté de piloter la trajectoire de l'euro face au dollar et au yen. Pierre Moscovici a suggéré lundi à ses partenaires de l'eurogroupe de «*se coordonner*» pour plus de stabilité de la monnaie commune, une semaine après que **François Hollande** eut affiché un objectif autrement plus ambitieux: une véritable «*politique de change*» destinée à fixer à moyen terme un niveau réaliste à l'euro.

Le rendez-vous de l'Eurogroupe était la première occasion de discuter à dix-sept d'une aspiration de l'Élysée que plusieurs capitales ont accueillie avec agacement. La Chancellerie allemande a immédiatement fait savoir que le bon remède n'est pas de faire baisser la monnaie commune, mais de renforcer la compétitivité de la France.

À Bruxelles, **les alliés de Berlin** ont embrayé lundi. «*Un affaiblissement artificiel de l'euro serait inapproprié*», dit Maria Fekter, **ministre autrichienne**. Le cours de change «*ne peut pas être décidé unilatéralement*», ajoute le **Luxembourgeois** Luc Frieden.

Pierre Moscovici a donc choisi de reformuler le projet français de manière moins rugueuse: il souhaite un lissage de la parité de l'euro sur les marchés, plutôt que la quête d'un cours de change négocié, voire prédéterminé sur plusieurs années. «*À l'échelle internationale, il s'agit de plaider pour une approche coordonnée, pour plus de stabilité et afin que les cours reflètent les fondamentaux de l'économie*, dit-il. **Les cours de change ne peuvent pas être soumis aux humeurs ou à la spéculation.**»

Soutien à la croissance

Le nouveau président de l'Eurogroupe, [Jeroen Dijsselbloem](#), a prudemment accepté lundi l'idée d'une discussion à dix-sept. Les textes le permettent: **l'article 219.2 du traité de Lisbonne confie expressément aux États de l'euro le droit de «formuler des orientations générales de politique de change» vis-à-vis des autres monnaies. Aussi longtemps, bien sûr, que cela «n'affecte pas l'objectif principal» de la BCE: la maîtrise de l'inflation.**

Le président Hollande, comme son prédécesseur en 2010, tente d'ouvrir un débat contre l'«euro fort». La monnaie commune a gagné plus de 10 % en six mois. Elle vient renchérir les exportations françaises et neutraliser les efforts pour regagner de la compétitivité ; bref, ralentir l'activité. À Bruxelles, Pierre Moscovici s'est à nouveau inquiété d'«*une croissance très faible*». Il souhaite une réflexion européenne sur le bon dosage «*à moyen terme entre politique de réduction des déficits et politique de soutien à croissance*». L'euro, laisse-t-il entendre, pourrait faire partie de la boîte à outils.

Au passage, le patron de Bercy égratigne la Réserve fédérale américaine et la Banque du Japon pour leurs pratiques «*plus agressives*» sur le marché de changes. C'est de bonne guerre à l'approche du rendez-vous à Moscou des ministres des Finances et des banquiers centraux du G20.

Finnish Nuclear Plant Won't Open **Until 2016**

By [DAVID JOLLY](#)

Published: February 11, 2013

69,62

PARIS — The troubled Olkiluoto 3 nuclear plant in Finland will probably not start operating before 2016, the power utility behind the plant said Monday, another delay to a project that is already four years overdue.

The Finnish utility for which the plant is being built, [Teollisuuden Voima](#), known as TVO, said recent progress reports received from the plant supplier, the Areva-Siemens consortium, suggested that a previous forecast of a 2014 start was unlikely to be met.

A failure to gain timely regulatory approval for the reactor's digital instrumentation and control equipment has also delayed the start of operations, TVO said. The International Atomic Energy Agency describes so-called [I&C equipment](#) as "the nervous system" of a nuclear facility, providing operators with a way to monitor operations and respond to developments.

Areva, the French nuclear company, and Siemens, the German industrial conglomerate, are building a giant 1,600-megawatt [facility](#), big enough to supply 10 percent of Finland's electricity needs, on an island in the Baltic Sea. **The project was to have been finished in 2009.**

TVO said it had asked the consortium "to update the overall schedule and provide a new confirmation for the completion date." The company is battling the builders over who will ultimately bear responsibility for the cost overruns. The case is in arbitration at the International Chamber of Commerce.

The Areva-Siemens consortium fired back, saying in a [statement](#) that both the French and British nuclear safety authorities had already largely signed off on the equipment, and blaming TVO for the delays.

"Over the course of the past year, the consortium has asked for significantly more active cooperation from TVO in order to obtain the final approval of the detailed I&C architecture," the statement said. "The Areva-Siemens consortium regrets that TVO continues to not fulfill its obligations to allow for the project to advance properly."

On completion, the Olkiluoto plant, employing a new-generation European pressurized reactor, will be among the most powerful nuclear facilities ever built. A second E.P.R. plant, being built in Flamanville, France, for EDF, is also significantly over budget.

There are, as yet, no examples of the new reactor type working anywhere in the world, but there are two such plants under construction in China, at a site in Taishan, Guangdong Province; the consortium noted Monday that construction at Taishan "is advancing twice as fast as the Finnish project."

Jouni Silvennoinen, a TVO spokesman, declined to comment on what the final cost of the plant was likely to be or how much it was now over budget. As a privately held company, TVO does not have to make such information available to the stock market. Mr. Silvennoinen said the announcement Monday had been necessary to meet disclosure obligations to the Nordic electricity market.

Mr. Silvennoinen said a visitor to the site would see what appeared to be a completed power plant, with about 75 percent of the installation work at the nuclear reactor finished and most of the major equipment installed. The turbine facilities, the other half of the facility, are essentially finished, he said, "and just waiting for the steam to come from the reactor."

Weidmann Warns Governments Against Trying to Weaken Euro

By Jana Randow & Jeff Black - Feb 11, 2013 5:35 PM GMT+0100

69,63

[European Central Bank](#) council member [Jens Weidmann](#) said the euro isn't seriously overvalued and warned governments against trying to weaken the currency.

"Latest indicators don't signal a serious overvaluation of the euro despite its recent appreciation" and "politicians should hold on to the established division of labor," Weidmann, who heads Germany's Bundesbank, said in a speech in Freiburg today. "An exchange-rate policy to specifically weaken the euro would lead to higher inflation in the end."



European Central Bank council member Jens Weidmann said if more and more countries try to depress their currency, it will end in a depreciation competition, which will only produce losers

French President [Francois Hollande](#) last week urged government leaders to steer the value of the euro lower to boost growth, a proposal rejected by German Chancellor [Angela Merkel](#). The Group of Seven nations are considering issuing a statement saying they won't target exchange rates when setting policy as they try to calm concern the world is on the brink of a currency war, two officials from G-7 countries said earlier today.

"Experience from previous, politically induced depreciations show that they don't normally lead to a sustained increase in competitiveness," Weidmann said. "Often, more and more depreciations are necessary. If more and more countries try to depress their currency, it will end in a depreciation competition, which will only produce losers."

Euro Jumps

The euro jumped half a cent to \$1.3428 on Weidmann's comments. It has appreciated 11 percent on a trade-weighted basis since late July. The currency's gains are threatening to hurt euro-area exports and stymie the 17-nation bloc's recovery from recession as the sovereign debt crisis shows signs of abating.

Japanese Prime Minister [Shinzo Abe](#)'s push for more aggressive monetary policy has raised concern abroad that his government is directly seeking to weaken the yen, something it denies.

ECB President [Mario Draghi](#) last week precipitated the euro's biggest drop in seven months when he suggested the ECB could lower interest rates if the stronger euro were to damp inflation too much.

Weidmann said exchange-rate developments "certainly are taken into account in monetary-policy decisions, given that they influence price developments."

However, he said the ECB has already done enough to fight the debt crisis and it's up to lawmakers to implement structural reforms at the national and European level.

"The problems can only be solved by politics, central banks can't do it," he said. "Therefore, the discussion about an allegedly overvalued euro is only diverting attention from the actual challenges."

EU Crisis Damage Seen in Worst Quarter Since Lehman Wake

By Mark Deen - Feb 11, 2013 6:30 PM GMT+0100

69,64

Gross domestic product of the 17-nation bloc probably shrunk 0.4 percent in the fourth quarter, according to the median of 28 estimates gathered by Bloomberg News.

Euro-area [economic data](#) due this week will probably show the damage inflicted by the region's sovereign debt crisis with the worst quarterly decline in output for almost four years.

Feb. 11 (Bloomberg) -- Holger Schmieding, chief economist at Berenberg Bank AG, discusses the Italian and Spanish economies, expectations for the euro and European Central Bank monetary policy. He speaks with Mark Barton on Bloomberg Television's "Countdown." (Source: Bloomberg)

Gross domestic product shrank 0.4 percent in the fourth quarter, according to the median of 45 [estimates](#) gathered by Bloomberg News. That would be the biggest decline since the first quarter of 2009, when GDP fell 2.8 percent in the wake of the collapse of Lehman Brothers Holdings Inc. The data is due to be published on Feb. 14.

While measures to stem the region's debt turmoil have helped curb sovereign bond yields from Spain to Greece, at least seven countries of the 17-nation bloc are in recession, leaving 18.7 million people out of work. The European Central Bank President [Mario Draghi](#) said last week that "economic weakness" will prevail in early 2013 even as the economy shows confidence stabilizing "at low levels."

The fourth quarter "is probably the trough of the cycle, Draghi is hopeful that it will be," said [Marchel Alexandrovich](#), an economist at Jefferies International Ltd. in London. "We should see some improvement in economy in the first half of this year. The question is, whether it's strong enough" given the risks that lie ahead, he said.

Brussels Meeting

Euro-area finance chiefs meet in Brussels today to discuss aid to Cyprus and Greece as a tightening election contest in Italy and corruption allegations in Spain threaten to reignite the region's debt crisis. Group of 20 finance chiefs and central bankers will gather in Moscow later this week.

The [Stoxx Europe 600 Index](#) fell 0.6 percent today. The euro climbed 0.3 percent to \$1.3410, snapping a three-day decline.

European Central Bank council member [Jens Weidmann](#) said today the euro isn't seriously overvalued and warned governments against trying to weaken the currency.

"Latest indicators don't signal a serious overvaluation of the euro despite its recent appreciation" and "politicians should hold on to the established division of labor," said Weidmann, who heads Germany's Bundesbank. "An exchange-rate policy to specifically weaken the euro would lead to higher inflation in the end."

'Double Whammy'

The European Union's statistics agency, Eurostat, will publish GDP data on Feb. 14 at 11 a.m. in Luxembourg. That will be the culmination of a series of GDP reports the same day from France, Germany, Austria, Slovakia, the Netherlands, Italy, Portugal and Greece.

While the euro region's economy hasn't grown since the third quarter of 2011, the pace of decline in GDP, driven by a continent-wide push to narrow budget deficits and exacerbated by stalling exports, may be slowing now as demand picks up in the U.S. and China.

"The fourth quarter was a double whammy for Europe, with austerity and exports to the U.S. falling off," said [Gilles Moec](#), co-chief European economist at Deutsche Bank in London. In the first quarter "there should be a gradual acceleration in external traction to help lift us out of that predicament."

The euro-area economy won't return to growth until the second quarter as a recovery in Italy is delayed and France continues to shrink, according to Bloomberg News's monthly survey published Jan. 17. Economists expect GDP to stay unchanged in the three months through March, before rising 0.1 percent and 0.2 percent in the second and third quarters, the survey showed. For the year, the economists predict a 0.1 percent decline.

Downside Risks

"The risks surrounding the economic outlook for the euro area continue to be on the downside," Draghi said at his monthly news conference on Feb. 7, after the ECB kept its benchmark interest rate on hold at 0.75 percent.

Germany, the euro region's biggest economy, and France, its next largest, are increasingly showing signs of diverging. German [industrial production](#) rose in December, adding to signs that the nation's recovery is gathering pace. Though GDP probably fell 0.5 percent in the fourth quarter, it is expected to rebound with 0.1 percent expansion in the first quarter of this year, Bloomberg surveys show.

"Between France and Germany, Germany may be decoupling," said [Pierre-Olivier Beffy](#), chief economist at Exane BNP Paribas in London.

France is on the brink of falling back into its [second recession](#) in four years. French output probably shrank 0.2 percent in the fourth quarter, according to the median forecast of 28 economists in a Bloomberg News survey. Economists in the monthly survey by Bloomberg predict a further decline in the first three months of 2013.

Hollande's Battle

President [Francois Hollande](#) is battling with jobless claims at a 15-year high as companies including [PSA Peugeot Citroen](#), [Renault SA](#) and [Alcatel-Lucent SA](#) cut tens of thousands of jobs. He's also struggling to slash the state budget deficit to 3 percent of GDP this year from 4.5 percent in 2012 -- a target that the European Commission and the International Monetary Fund expect to be missed unless further action is taken.

"France is in quite a special position," Moec said. "The fiscal contraction there is now reaching its peak while most other countries hit it in 2011 and 2012. Plus the corporate sector was late in adjusting."

French industrial production fell 1.8 percent in the fourth quarter, while manufacturing output dropped 2.5 percent, national statistics office Insee said today.

Rajoy Controversy

Spain and Italy, where GDP has probably declined for six straight quarters, are also the focus of concern about rising political risk. The Spanish government is facing corruption allegations, though Premier [Mariano Rajoy](#) denied receiving illegal cash payments. In Italy, the euro area's No. 3 economy, an election that is less than two weeks away may yield a hung parliament.

"Unfortunately in the euro area, political risk tends to blow the numbers around," Alexandrovich said. "We could come out of the Italian election later this month and find that nothing has been settled, then markets begin to sell off and we return to, or near return to, the early part of 2012."

What devaluation actually means

Feb 12th 2013, 14:08 by Buttonwood

69,66

THE opening paragraph of Bloomberg's [news story](#) on Venezuela's currency move is a classic example of what devaluation actually means.

Venezuelans lined up to purchase airline tickets and TVs this weekend in a bid to protect themselves from price increases after ailing President Hugo Chavez devalued the bolivar for a fifth time in nine years.

The official rate is falling from 4.3 to the dollar to 6.3; a 32% devaluation. Foreign goods will cost more. In other words, a devaluation is a decline in the country's standard of living. Traditionally, it is a tool used by a desperate government with a poor economic policy. Venezuela, despite its oil wealth, has a 22% inflation rate, even before the latest move. Sometimes countries get trapped in a dismal cycle in which high inflation causes the country's exports to be uncompetitive, prompting a devaluation that only leads to more inflation and so on.

Competitiveness is usually only restored by a decline in real wages. This can be achieved by having nominal wages fall while the exchange rate is unchanged (call it plan A), or by having wages fail to adjust to the inflationary effects of a devaluation (plan B). Either way, we come back to a standard of living decline.

Traditionally, central banks saw themselves as guardians of the currency and preferred plan A to plan B. Nowadays, they seem more relaxed about a currency's decline, witness the Bank of England's insouciance as sterling fell in 2007 and 2008 (see [chart](#)).

And that brings us to Japan. The G7 came out with a careful statement this week that said

We, the G7 Ministers and Governors, reaffirm our longstanding commitment to market determined exchange rates and to consult closely in regard to actions in foreign exchange markets. We reaffirm that our fiscal and monetary policies have been and will remain oriented towards meeting our respective domestic objectives using domestic instruments, and that we will not target exchange rates. We are agreed that excessive volatility and disorderly movements in exchange rates can have adverse implications for economic and financial stability. We will continue to consult closely on exchange markets and cooperate as appropriate.

Of course, Japan's domestic target is to get the inflation rate up, and the real interest rate down. With interest rates already at zero and with a long history of fiscal stimulus that has driven gross Japanese government debt up to 200% of GDP, a weaker currency might be the best way in practice of getting inflation higher. Mr Chavez has shown the way. Other governments don't seem to mind as long as the yen doesn't fall too fast and the Japanese don't say they are trying to weaken their currency. Or as Chris Turner, the head of FX strategy at ING, put it

It's fine to devalue, just don't talk about it

Budget and democracy

11 February 2013

Presseurop Editorial

69,67

At the end of a marathon negotiating session that was more akin to haggling in a bazaar than plush drawing-room diplomacy, the government leaders of the EU's 27 member states finally [adopted](#) a European Union budget for 2014-2020.

For the first time in the Union's history, this budget is lower than the previous one: according to some, to reflect the spending cuts adopted by the member states themselves, and, according to others, to limit the financial mess caused by certain subsidies.

At the end of the European Council meeting, everybody was able to claim victory and announce to their respective nations that their views had been upheld. The British were able to claim they had managed to slash the budget. The French were able to say they had saved European subsidies, in particular those for agriculture, and the Germans could allude to the key role they had played in all of the mediation.

Has the issue been settled?

Far from it. Those troublemakers in the European Parliament still have to be taken into account. Only minutes after European leaders finished crowing over their exploit, the Parliament's four main political groups (Conservatives, Social-Democrats, Liberal Democrats and Greens) announced in [a joint press statement](#) that "the European Parliament cannot accept today's deal in the European Council as it is," and that "the real negotiations will start now with the European Parliament".

On the eve of the summit meeting, MEPs [had already warned](#) Europe's leaders against any choice that would "sacrifice the future of the EU to the current crisis", and called on them "not to use the economic crisis as a pretext to impose austerity on Europe until 2020".

Now that the ball is in their court, the representatives of the peoples of the Union intend to make use of their prerogative to renegotiate the agreement endorsed by the Council. They will thus remind member states that austerity is not an end in itself and that to overcome the crisis Europe needs long-term investments that will sustain growth. They especially want to show that the future of the EU should not be negotiated behind closed doors, under the nose of the only democratically elected institution of the Union. And that is certainly a good thing.

Il Sole 24 Ore - Italy

Berlin must support active exchange rate policy

At France's behest the finance ministers of the Eurozone decided at their meeting in Brussels on Monday to seek stable exchange rates at this weekend's G20 summit in Moscow. The liberal business daily Il Sole 24 Ore urges Germany to support an [active exchange rate policy](#): "For Italy and France, the upper limit for the euro exchange rate is 1.16 and 1.24 to the dollar, respectively, while robust German can handle an exchange rate of up to 1.54. ... However when Italian firms suffer under the burden of a strong euro, purchasing power also dwindles, which is why German exports to Italy went down by 6.3 billion euros last year. A trivial sum for export machine Germany, which with a total export volume of 1.097 trillion euros has a trade surplus of 190 billion euros. But at least this could be a tiny incentive to agree on a common strategy in the exchange rate policy." (12/02/2013)

Le Figaro - France

Hollande must admit his electoral lies

French unions are demanding that President François Hollande fulfil his electoral promises and prevent announced factory closures. But it would be better to admit that they were lies and adopt a realistic approach instead, the conservative daily Le Figaro demands: "The head of state must change, take the bull by the horns and pay the price of his electoral campaign. ... He must explain to his dwindling number of friends that [globalisation](#) is forcing France to change from the bottom up. Its exemplary social model? It hasn't been exemplary for years, and is now sinking into the abyss and dragging everything with it. Products that are 'Made in France' are outstanding? They were in the past. France is wealthy and tomorrow will be even better? No one believes that any more. It makes no difference that François Hollande led some - socialist and others - to believe the contrary last year. In view of the facts, the president must forget the candidate he once was. He must admit he was wrong and act now." (11/02/2013)

[» full article \(external link, French\)](#)

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Who's saying what [» Is France falling behind?](#)

Monetäre Staatsfinanzierung in Irland

12.02.2013 · Die Grüne Insel gilt als die Erfolgsgeschichte in der Krise. Doch Irland war von Anfang an ein Sonderfall. Jetzt hat die EZB dem Land auch noch große Zugeständnisse gemacht. Da bleibt ein fader Nachgeschmack. Eine Analyse.

Von [Holger Steltzner](#)



© Martin Glauert Die Südküste von Irland

Die Grüne Insel im Norden wird den Euro-Krisenländern im Süden als Leuchtturm vorgehalten. Auf so gut wie jedem Krisengipfel predigen die „Euro-Retter“, Reformen lohnten sich, Anstrengung sei nicht vergebens, wie man in Irland sehe. Nachdem die irische Notenbank nun mit einem abenteuerlichen Manöver den irischen Staat von Milliardenlasten befreit hat, steht zu befürchten, dass sich der Süden auch darin ein Vorbild nimmt und das Verbot monetärer Staatsfinanzierung für die Europäische Zentralbank das Papier nicht mehr wert ist, auf dem der Gesetzestext gedruckt ist.

Dabei war Irland von Anfang an ein Sonderfall. Es handelte sich nicht um ein Land mit lange verschleppten Strukturreformen, sondern um eine wettbewerbsfähige Wirtschaft. Aber auch um ein Land mit viel zu großen Banken und einer aufgeblähten Bauwirtschaft. Als die Banken fielen, fing Irland sie auf, was die Staatsschulden in die Höhe trieb. Das Ausmaß der irischen Bankenkrise ist mit keinem anderen Euroland vergleichbar, allenfalls mit Island.

Irland bekommt 25 Jahre Zahlungsaufschub

Irland musste rund 64 Milliarden Euro für die Bankenrettung ausgeben, knapp die Hälfte davon allein für die Anglo Irish Bank und eine andere Pleitebank. Die irische Notenbank half bei der Finanzierung des Anglo-Pakets durch Rückgriff auf die kurzfristige Liquiditätshilfe der EZB, mit der systemrelevante Banken vorübergehend gestützt werden dürfen, um eine Kernschmelze im Bankensystem zu verhindern. Da sich der irische Staat verpflichtete, die Anglo-Hilfe mittelfristig zurückzuzahlen, konnte man an der Nutzung der kurzfristigen ELA-Nothilfe herummäkeln, aber auch darüber hinwegsehen, weil das die Abwicklung der Altraumbank möglich machte.

Als Irland sah, wie in Griechenland und anderen südeuropäischen Krisenstaaten im Lauf der Krise die Zinsen für Kredithilfen erst gesenkt und dann praktisch auf null gesetzt und wie die Rückzahlung erst gestundet und dann teils gestrichen wurde, machte sich verständlicherweise auch in Dublin der Wunsch nach Erleichterung im Schuldendienst breit. Eigentlich wäre das Eingeständnis fällig gewesen, dass Irland seine Bankenlasten allein so nicht tragen kann und ein zweites Rettungspaket benötigt. Aber das wollten „Euro-Retter“ wie

Bundesfinanzminister Wolfgang Schäuble um jeden Preis vermeiden, um die Legende vom irischen Erfolg aufrechtzuerhalten. Also führte Schäuble in Zypern dem irischen Finanzministerkollegen Michael Noonan seinen früheren Staatssekretär Jörg Asmussen zu. Der heutige EZB-Direktor habe sich als „außerordentlich hilfreich“ erwiesen, verriet Noonan im irischen Radio: „Das brachte den Ball ins Rollen.“

Anderthalbjährige Verhandlungen mit der EZB kamen [plötzlich zum Ende](#). Über Nacht erklärte das irische Parlament die Anglo-Abwicklungsgesellschaft für insolvent. Wohlgermerkt, nicht der Markt, sondern die Politik führte die Insolvenz herbei. Irlands Notenbank übernahm den Schuldschein des Staates und tauschte ihn in langlaufende Staatsanleihen, wodurch das Volumen ausstehender Staatsanleihen um ein Viertel auf 115 Milliarden Euro wuchs. Die irische Regierung freut sich über einen Zahlungsaufschub von 25 Jahren, die erste Tilgung wird erst 2038 fällig. Premierminister Enda Kenny zeigte sich erleichtert über den Deal, der auch deswegen kaum wahrgenommen wurde, weil er so komplex ist. Irland könne nun auf die Ausgabe von Staatsanleihen im Wert von 20 Milliarden Euro verzichten, sagte Kenny, der als weitere Folge der Notenbankfinanzierung darlegte, wie durch den Deal das Budgetdefizit Irlands in drei Jahren auf 2,4 Prozent sinken werde.

Wird das zum Muster? Sollen künftig Notenbanken einspringen, wenn die Eurofinanzminister bei Schieflagen von Banken nicht handeln wollen? Vorsicht ist geboten, denn sobald die EZB mangels öffentlicher Aufregung den Vorwurf nicht mehr fürchten muss, sie finanziere den irischen oder einen anderen Staat, könnten die letzten Hemmungen fallen. Wie passt in dieses Bild die jüngste Meldung aus der Eurogruppe, wonach das Volumen des Euro-Rettungsfonds ESM zur [Rekapitalisierung von Wackelbanken auf 80 Milliarden Euro gedeckelt werden soll](#)? So ein Topf könnte schon nach der Kapitalisierung der ersten großen Bank leer sein.

Fragwürdige Erfolgsgeschichte

Durch solche Manöver wie in Irland gibt es keine Trennung mehr zwischen Fiskal- und Geldpolitik. Zählen nur noch Deals, weist kein geldpolitischer Kompass mehr in die richtige Richtung. Die EZB nehme Irland zur Kenntnis, sagte ihr Präsident Mario Draghi. Das lässt tief blicken: Da folgt eine Notenbank des Eurosystems dem politischen Druck, finanziert die Regierung - und die EZB nickt lediglich verschämt. Dass der Außenminister der EZB den Deal eingefädelt hat, macht die Sache nicht besser.

Für die EZB und die „Euro-Retter“ bleibt ein fader Nachgeschmack. Denn wenn Irland nur ein Erfolg ist, wenn das Verbot der monetären Staatsfinanzierung gebrochen wird, indem Irlands Notenbank langfristig den Fiskus finanziert, wirft das die Frage auf, ob das Vorzeigeland überhaupt eine Erfolgsgeschichte ist.

Quelle: F.A.Z.

Unruhige Staatshand

12.02.2013 · Viele deutsche Beobachter hatten gehofft, François Hollande werde, im Präsidentenamt angekommen, von seinen ökonomisch riskantesten Wahlversprechen abrücken. Doch von seinem Plan, Werksschließungen zu verbieten, will er nicht lassen.

Von [Heike Göbel](#)

Diese Hoffnung hat getrogen. Viele deutsche Beobachter hatten erwartet, François Hollande werde, im Präsidentenamt angekommen, die Wirklichkeit zur Kenntnis nehmen und von seinen ökonomisch riskantesten Wahlversprechen abrücken.

Doch hat Hollande weder das - vorerst gerichtlich - gestoppte Vorhaben eines [Spitzensteuersatzes von 75 Prozent](#) aufgegeben, [noch lässt er ab von seinem Plan, Werksschließungen zu verbieten](#). Dazu will er nun ein Gesetz vorlegen. Es soll Unternehmen zwingen, „profitable“ Standorte, die sie schließen wollen, zu verkaufen - notfalls an die Konkurrenz.

Schwerer Eingriff in die Eigentumsrechte

Es wäre ein weiterer schwerer Eingriff in die Eigentumsrechte und die Entscheidungsfreiheit des Unternehmers. Der Schaden wird sich wohl nicht so schnell an praktischen Beispielen zeigen. Schließlich hat die französische Regierung, quasi im Vorgriff auf die neue Regelung, jüngst vergeblich versucht, ein marodes Stahlwerk an den Mann zu bringen.

Der wahre Schaden liegt in der Abschreckung potentieller Investoren. Warum sollen sie ihr Geld in Frankreich riskieren und es damit einer unruhigen Staatshand ausliefern, die sie mit immer neuen Einschränkungen im Wettbewerb behindert?

Untangling the promissory knot

Feb 8th 2013, 16:08 by P.W. London

ENDA Kenny, the Irish prime minister, has hailed this week's debt restructuring as a triumph. It certainly involved political drama, with an emergency session of the parliament and the Irish president having to hotfoot it back from Italy in order to sign the legislation. The other main actor in the play, the European Central Bank (ECB), was less forthcoming though in effect it has given tacit approval to the Irish actions. On February 7th Mario Draghi, the ECB boss, confined himself to saying that the bank's governing council had taken note of the Irish measures. But what have they actually achieved?

At issue was an emergency form of state support that the Irish government provided in 2010 mainly for Anglo Irish Bank, the name of shame in the Irish banking fiasco, but also for Irish Nationwide, a building society. Unable to access the financial markets, the Irish government instead issued the most primitive type of debt, IOUs called promissory notes, to the tune of €31 billion (\$42 billion). These were stuffed on to the banks' balance-sheets, and subsequently that of Irish Bank Resolution Company (IBRC), the outfit into which the two bust lenders were folded. The notes provided the collateral enabling them to stay in business (though as "dead banks" being wound down) by allowing IBRC to fund itself through borrowing from the Irish central bank. Its "exceptional lending assistance" (ELA) had to be sanctioned by the ECB in Frankfurt because it created money outside the standard refinancing operations authorised by the governing council.

On the face of it the worst feature of the promissory notes was that they had very high interest rates, of over 8%, bringing their lifetime cost – principal and interest payments - to almost €48 billion. But as Karl Whelan, an economist at University College Dublin, has pointed out, this supposedly extortionate interest charge was nothing of the sort for the government as a whole since it was being paid to banks that it owned. In fact, the borrowing that mattered was the ELA funding. And although the Irish central bank included a surcharge, reckoned to be about two percentage points above the main lending rate set in Frankfurt, most of the resulting profit would return to the government. The actual borrowing cost has been only a bit above the refinancing rate set by the ECB, currently 0.75%.

The real problem with the promissory notes was that their effective maturity was so short (seven or so years) because of a punishing repayment schedule, involving annual payments of €3.1 billion until 2023 (with much smaller charges for a further decade). In effect, this meant that the Irish government would have to borrow on much more expensive terms in the markets to repay the ELA which was much cheaper. The crucial part of the debt restructuring was that it replaced the remaining €25 billion of promissory notes with much longer-term floating-rate bonds with an average maturity of 34 years. The first repayment of principal on this new debt will not be until 2038. By extending the maturity in this way, the present value of the obligations has been reduced (in similar fashion to the way that euro-area lenders have helped Greece).

Following the hurried dissolution of IBRC as a result of this week's legislation, the Irish central bank has become the proud owner of the promissory notes soon to be exchanged for the new long-term bonds. **Does this constitute the original sin of monetary state financing - the stumbling-block on which previous negotiations with the ECB had failed?** The get-out is that the Irish central bank has pledged to sell these bonds rather than hold them to maturity, though that will entail only a trickle of sales over the next few years (a minimum of €0.5 billion by the end of 2014 and at least €0.5 billion a year between 2015 and 2018). **Mr Draghi may have been reluctant to openly endorse the deal but it would appear that under his leadership the ECB has again been pragmatic rather than dogmatic.**

From a wider perspective the restructuring will help a bit in alleviating the euro crisis. For one thing, it fends off public pressure on Mr Kenny as he perseveres with the tough programme to reduce the budget deficit. The fact that the annual repayment due on the promissory notes was close to this year's austerity cuts was politically toxic. And by easing the Irish government's borrowing requirements, it will assist Ireland in exiting its rescue programme by the end of this year. **After the dismal experience with Greece, that would boost confidence by showing that bail-outs don't have to be forever.**

Japan Does the Full Ponzi

- 02/12/2013 2:23 AM
- [Cullen Roche](#)

69,73

I saw this headline over at [Calculated Risk regarding](#) the new “monetary policy” in Japan:

And from the Japan Times: [Japan’s economic minister wants Nikkei to surge 17% to 13,000 by March](#)

Economic and fiscal policy minister Akira Amari said Saturday the government will step up economic recovery efforts so that the benchmark Nikkei index jumps an additional 17 percent to 13,000 points by the end of March.

“It will be important to show our mettle and see the Nikkei reach the 13,000 mark by the end of the fiscal year (March 31),” Amari said in a speech.

The Nikkei 225 stock average, which last week climbed to its highest level since September 2008, finished at 11,153.16 on Friday.

“We want to continue taking (new) steps to help stock prices rise” further, Amari stressed ...

I think this is remarkably silly policy. It’s the worst abuse of central bank powers and based largely on a misunderstanding of secondary market dynamics. I wish wealth creation was as easy manipulating stock prices. Then every country in the world could just have their central bank target a market price and presto-changeo – we’re all rich! Nevermind if the underlying corporations don’t actually justify the valuation! After all, the central bank says the cash flows justify THIS price. They said so!

Of course, this isn’t how reality works. The stock market is made up of companies selling at a nominal price on exchanges and all shares outstanding are always held by someone looking to find someone else to sell to so the current holder can realize gains (which subsequently leaves the new holder with the exact same problem searching for the next person in line). Those prices are determined primarily based on the eagerness of the participants in those markets to buy or own shares based on the expected future performance of the actual underlying corporations.

We can implement policy that causes these prices to deviate from where the market would have otherwise set them (largely by making participants more or less eager to own shares). But what is the point of this? What does this do other than cause disequilibrium if it does not cause an equal change in the underlying business? If the market believes the Nikkei is worth 11,000 based on expected future fundamentals then pinning the price at 13,000 only causes a short-term disequilibrium that will result in the same amount of eventual wealth lost that is presently being gained.

Again, stock markets are nominal wealth. Someone must always hold shares of stock outstanding so someone will always be concerned that they’re left holding the ponzi scheme at the peak if that’s in fact what the central bank explicitly targets. And that leaves the same underlying downside reversal risks present at all times. Yes, the Bank of Japan might create some real wealth (for some market participants) in the near-term and might thereby make Japan appear better off than they really are, but there’s absolutely no underlying fundamental change in the corporations that make up this index that should lead one to believe that these price changes are justified. And when the Ponzi scheme is exposed the market collapses thereby destroying wealth for all the current participants leaving us right back where we started.

This is ponzi based monetary policy. It’s based on a false understanding of market dynamics, a false understanding of real wealth, and it’s very likely to cause disequilibrium in the long-term.

La question du vote obligatoire de retour à l'Assemblée

Par [Marion Brunet](#), [Service infographie du Figaro](#) Mis à jour le 13/02/2013 à 16:11 | publié le 13/02/2013

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Crédits photo : FRANCOIS BOUCHON/ Le Figaro

INFOGRAPHIE - Une proposition de loi - la 13e depuis 2000 - vient d'être déposée par le député UMP Thierry Lazaro pour rendre le vote obligatoire. L'objectif reste inchangé : lutter contre l'abstentionnisme.

Trente-trois propositions de loi (PPL) sous la III^e République, neuf sous la IV^e, seize depuis le début de la V^e, dont treize depuis 2000. Véritable serpent de mer de la vie politique française, le vote obligatoire vient de faire son retour au Palais Bourbon. Le député UMP du Nord Thierry Lazaro a déposé mercredi dernier une [PPL en ce sens](#), cosignée par neuf de ses confrères. «Si le vote est un droit, il doit être également un devoir en l'honneur et en mémoire de celles et de ceux qui ont versé leur sang pour notre Patrie», se justifie l'élu dans son texte. Objectif: réduire l'abstention «persistante» à chaque scrutin, «en dépit de tous les appels civiques qui invitent nos concitoyens à se rendre aux urnes» et de l'assouplissement des modalités de vote par procuration.

Selon ce texte, les abstentionnistes s'exposeraient à une amende de 15 euros, dont le montant passerait à 45 euros en cas de récidive dans les cinq ans. La proposition de loi prévoit néanmoins, dans certains cas, des dérogations. Ainsi, les électeurs, qui apporteraient la «preuve de (leur) impossibilité par procuration» ou qui ferait face à un «cas de force majeure», se verraient exemptés de leur obligation de voter. Une mesure inefficace pour le constitutionnaliste Didier Maus*, qui estime que «rechercher les abstentionnistes coûtera beaucoup plus que quinze euros par personne». «C'est une amende symbolique», rétorque le député et cosignataire du texte [Thierry Mariani](#), pour qui «il faut un peu pousser les gens à aller voter». «Pour moi, cette loi s'inscrit dans un triptyque qui comprend le vote obligatoire, la reconnaissance du vote blanc et l'instauration de référendums d'initiative populaire. Il faut permettre aux gens de s'exprimer et de reprendre l'initiative».

La droite en pointe sur le sujet

«Peut-on faire voter les gens qui ne se rendent jamais aux urnes?, interroge de son côté Didier Maus. Une telle loi toucherait uniquement ceux qui ont déjà une conscience politique. Mais elle ne permettrait pas récupérer les non-votants récurrents, qui forment pourtant le plus gros bataillon des abstentionnistes». Et le spécialiste d'ajouter: «Il ne faut pas essayer de faire faire par la loi ce que les politiques n'arrivent pas à réaliser eux-mêmes. Ce n'est pas par la contrainte qu'on arrive à redonner de l'espoir aux gens et donc l'envie de voter».

Sur les treize propositions de loi déposées depuis 2000, une seule a été le fait de la gauche. C'est [Laurent Fabius](#) qui avait remis le sujet à l'ordre du jour après les cantonales de mars 2011, marquées par un taux d'abstention record. Excepté celle-ci, toutes les autres venaient d'élus UMP ou centristes, et souvent des mêmes. «La PPL déposée le 6 février est identique, mot pour mot, à celle qu'avait déjà publiée Thierry Lazaro le 13 avril 2011»,

constate Didier Maus. Selon ce dernier, c'est parce qu'elle juge son électorat moins mobilisé, que la droite veut l'obliger à voter. «Et comme ses électeurs sont légitimistes, ils n'enfreindront pas, selon elle, la loi», décrypte-t-il.

Ce sujet, récurrent, a-t-il une chance d'être adopté au cours de la mandature? Le président de l'Assemblée nationale, [Claude Bartolone](#), [s'y était en tout cas montré favorable](#) en novembre dernier, [lors de la reconnaissance du vote blanc par les députés](#). Un «premier pas» selon lui dans cette direction. Plusieurs pays pratiquent aujourd'hui le vote obligatoire. Parmi eux notamment: la Belgique, le Luxembourg, le Brésil, l'Argentine ou encore l'Australie.



* Didier Maus est professeur de droit public à l'université d'Aix-Marseille-III.

Embattled Economies Cling to Euro

• Updated February 12, 2013, 9:14 p.m. ET

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By [MARCUS WALKER](#) and [ALESSANDRA GALLONI](#)

The euro remains popular across much of Europe even though it has left many of the region's economies struggling to compete. WSJ's Alessandra Galloni looks at why many Europeans shudder at the thought of abandoning the common currency. Photo: Reuters

MONFORTE D'ALBA, Italy—The euro has weighed on winemaker Elio Grasso for years. The currency's high exchange rate shaves into profits of his U.S. exports, while his domestic customers suffer in Italy's long recession.

But the silver-haired maker of Barolo wines doesn't want Italy to abandon the euro. "If we were on our own, we'd have bigger problems than Greece," he said in the cavernous cellar below his vineyard.

Europe's common currency has left the continent's southern countries depressed, indebted and struggling to compete internationally. But even in the tumult of Italy's national election campaign this month, the question of euro membership isn't being seriously debated. In Italy, as in Spain, Portugal and other crisis-hit countries, popular support for the euro remains strong.

Across Europe's southern rim, people recoil at the idea of returning to national currencies, fearing such a step would revive inflation, remove checks on corruption and derail national ambitions to be part of Europe's inner circle. Such fears outweigh the bleak growth outlook that has prompted many U.S. and U.K. economists to predict a split of the currency.

Only 20% of Italians say leaving the euro would help the economy, compared with 74% who believe it would be bad or disastrous, according to a recent survey by Milan-based opinion-research group Ispo. Strong majorities in Spain, Portugal, Greece and Ireland also reject an exit from the euro, recent polls show.

Europeans' determination to stay in the common currency will play an important role in how the euro crisis unfolds this year. As Europe's financial-market panic subsides, the euro's survival relies on countries enduring a painful, lingering economic retrenchment.

Italy's center-left party, which is leading in polls, promise to maintain the austerity measures required to defend the country's place in Europe. Even conservative ex-premier [Silvio Berlusconi](#) has toned down his anti-euro rhetoric ahead of the Feb. 24-25 national election.

Roberto Colombo, who runs the 400-person factory of chocolate maker Caffarel at the foot of Italy's Alps, said recession-hit Europeans have been skimping recently on the company's pricey pralines. But, he said, Caffarel remains as upbeat about the euro as it was more than a decade ago, when the company celebrated its birth with a chocolate bar resembling a €500 note.

"The euro has forced companies to show what they're made of, to be competitive without the helping hand of devaluation," said Mr. Colombo. "Italy without the euro would be far worse off."

Popular will to stay in the euro doesn't guarantee that no country will leave. Political paralysis or bank runs could, in theory, force a country to print its own currency to avoid financial collapse.

Nor does popular support make the euro a success. Europe's plight has resurrected old warnings that a single currency spanning disparate national economies can lead to crises, as well as make it harder for countries to escape trouble.

Experience suggests recovery from a financial crisis can be easier if a country devalues its currency, making its goods cheaper abroad. The only option for struggling euro-zone countries, by contrast, is to push down wages and prices relative to the euro's core economies. The process will likely add years of hurt to regions of Europe already five years into a downturn.

Many southern Europeans are disappointed with the European Union's institutions and leaders, and bitter about the effects of austerity medicine. But the euro has escaped the backlash.

"Europeans who now use the euro have no desire to abandon it and return to their former currency," according to a survey by the Pew Research Center. In Spain and Portugal, 70% or more of people want to stick with the euro, recent polls found.

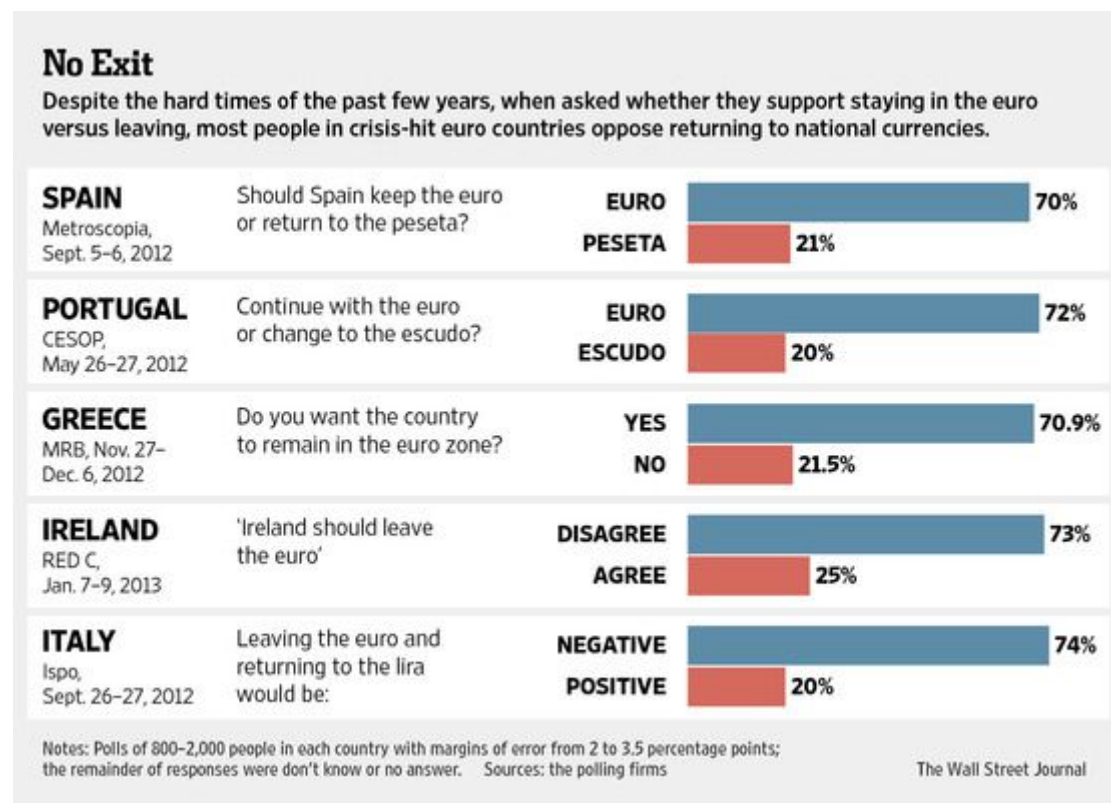
Even in Greece, where the economy and employment have shrunk by more than 20%, just one in five people wants the drachma back. Even supporters of radical anti-austerity party Syriza mostly oppose leaving the euro.

Antipathy to the euro has risen strongly in European countries that didn't join it. The currency crisis has strengthened the conviction of Britons, Swedes and Danes that they were right to keep their own currencies, the EU's regular Eurobarometer surveys show.

But many Italian voters say that, despite the current pain, dumping the euro would be a leap in the dark.

"The answer is not to throw the euro out, it's to look at what's not working and fix that," said Giovanni Ricci, a geologist from Turin. "If we all returned to national currencies and devalued, you would get a trade war in Europe."

Mr. Ricci helped build the first stage of a high-speed rail tunnel under the Alps that will connect Turin with the French city of Lyon. For him, the euro also marks Italy's attachment to Europe, which he sees as his country's best hope for long-range growth. "You've got to stay part of core Europe," he said.



The recent history of countries in the euro-zone periphery helps explain their resilient support for the European project.

Spain, Portugal and Greece all escaped dictatorship in the 1970s. Joining Europe's economy and institutions helped cement democracy and raise living standards. European ties helped them overcome decades of backwardness and isolation. Ireland's democracy is older, but European largess is strongly associated there, too, with economic transformation.

The crisis has dealt a blow to Europe's rosy image in such countries as Portugal, but "the cultural association of Europe with modernization is still there," said Antonio Costa Pinto, a political scientist at the University of Lisbon.

Spain, with its regional divisions and bitter legacy of the Franco dictatorship, "has constructed its democratic, contemporary identity on the idea of Europe," leaving the country with "no Plan B," said Antonio Moreno, a Spanish historian at Madrid's Complutense University.



In all of the crisis-hit countries, distrust of domestic politicians and government bureaucracies is a potent reason why few want to leave the euro. Most people believe their national leaders, acting without the yoke of the euro, would make an even bigger mess of national economies.

Regular corruption scandals, such as the slush-fund allegations currently shaking Spain's ruling party, have reinforced popular suspicion.

"Returning to the drachma, lira or peseta would mean giving economic power to the most discredited group of all," said Jacob Funk Kirkegaard, a scholar at the Peterson Institute for International Economics in Washington.

Nowhere is this more heartfelt than in Italy. The euro is more than a currency: It is the strongest symbol of belonging to Europe, a relationship that many Italians hope can teach them better governance. Italy has had 58 governments in 65 years, frustrating efforts to fix the country's stifling bureaucracy, chronic tax evasion and recently stagnant business sector.

Even Italian politicians refer to Europe as a beneficial *vincolo esterno*, a shackle on lawmakers. Italians' trust in the EU has slipped to 40% in the recent Ispo survey, down from 57% in 2010. But over the same period, the survey found, trust in Italian political parties fell to 4% from 13%, largely because of chronic scandals.

Mr. Berlusconi currently faces separate trials on charges of tax fraud, underage prostitution and abuse of office; he denies wrongdoing. His conservative party and its ally the Northern League are embroiled in expenses scandals, as is the left-wing Italy of Values party. An unfolding banking scandal threatens voter support for politicians on the center-left, some polls show.

The hope that Europe can discipline the unruly country is voiced widely here in the northern region of Piedmont, a hub for Italian exports, including food and cars, and a battleground in this month's election.

"We haven't done as well under the euro as Germany has because we're not led by people who are able to bring the potential benefits to Italy," said Mr. Grasso, the winemaker.

The 69-year-old Mr. Grasso has seen the misty hills of Piedmont's wine country transformed from poverty into a wealthy center of production and tourism. As the Barolo brand has grown, exports to the U.S. and Europe have paid to equip his state-of-the-art underground winery, which is dug into the hillside beneath the family farmhouse.

He said his success has been a battle against the Italian bureaucracy of permits and inspections. "I even have to prove to inspectors that specks of paint on my ceiling won't fall into the barrels," he said.

Instead of Italy's thicket of often-ignored red tape, he said, "we need fewer rules, but strict enforcement," like in Europe's north.

Turin, Piedmont's capital, has suffered a steady erosion in manufacturing, especially car making, centered on Fiat. The industry's problems began well before adoption of the euro, when the fall of the Berlin Wall intensified global competition. A high exchange rate under the euro compounded the pressure.

For decades, Italian industries kept pace with foreign rivals through periodic declines in the lira, which made Italian goods cheaper to export and offset the relatively brisk inflation of Italian wages and other costs.

After the euro removed Italy's ability to devalue its currency, inflation remained slightly but persistently higher than the euro-zone average. Wages rose faster than productivity. In contrast, German industries carved out a competitive advantage partly through strict cost control.

In Turin, Fiat's giant Mirafiori car-assembly plant has suffered. When Italy joined the euro, Mirafiori had already shrunk from the postwar era, when it employed tens of thousands of workers. The plant now has barely 5,000 workers. Since last fall, work on the assembly line is limited to a few days a month.



Thomas Coex/Agence France-Presse/Getty Images

"It's a desert," said Antonio Alfiero, a veteran assembly worker and union organizer at Mirafiori. Fiat now prefers to invest in Serbia or Brazil. The problem, he said, is Italy's lack of industry-friendly policies, and Fiat's habitually poor industrial relations. He said he wished Italian management and unions could cooperate as they do in Germany.

"There's a great fear among the workers," Mr. Alfiero said. "But it's not the fault of the euro."

Not everyone agrees. The euro has brought "a progressive decline of the market share of Piedmontese industries versus German companies," said Roberto Cota, president of the Piedmont regional government. His Northern League party, a junior ally of Mr. Berlusconi in the election campaign, is lukewarm about the currency.

"We don't say we want to leave the euro," Mr. Cota said. "We say it would be good to have a referendum."

Italy's anti-establishment Five-Star Movement, led by popular comedian Beppe Grillo, also wants a referendum on the euro. But even Mr. Grillo rails more against Rome than Brussels. Opinion polls give the party about 15% of the national vote, and 81% of Five-Star supporters say leaving the euro would be negative for Italy, according to Ispo surveys.

To many in Turin, going back to a weak national currency smacks of reviving a bad habit that had lost its appeal.

"The policy of lira devaluations was slovenly," said Guido Martinetti, a 38-year-old co-founder of Grom, a trendy ice-cream company.

By removing the pressure to reform Italy, devaluations allowed dysfunctional politics and bureaucracy to fester. "It was a policy that neglected future generations," he said.

Mr. Martinetti said he doubts Italy would have been able to finance its huge national debt with a sinking lira and high interest rates: "I think the euro saved Italy."

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Déficit français : Bruxelles prêt à desserrer l'étau

Par [Jean-Jacques Mevel](#), [Service infographie du Figaro](#) Publié le 13/02/2013 à 20:19 [Réactions](#) (1)

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Le siège de la Commission européenne, à Bruxelles. Crédits photo : Rainer UNKEL/REA/Rainer UNKEL/REA

INFOGRAPHIE - La Commission européenne estime qu'un délai peut-être accordé en cas de dérapage de la croissance. Un signal de bon augure pour Paris.

De notre correspondant à Bruxelles

L'aveu était escompté, mais peut-être pas si tôt. La [France](#) a reconnu ce mercredi qu'elle ne pourra pas respecter l'objectif d'un déficit budgétaire réduit à 3% cette année. Elle se retrouve en porte-à-faux avec sa promesse européenne, avec une discipline collective acceptée et avec des institutions jusqu'ici sans complaisance. La Commission européenne, en première ligne des gardiens de l'orthodoxie, a d'abord refusé de commenter [la révélation lâchée par Laurent Fabius](#).

Officiellement, l'équipe Barroso s'en tient au calendrier convenu. Ce n'est qu'une fois son propre diagnostic posé, le 22 février en fin de matinée, qu'elle tranchera et commencera à réfléchir aux corrections budgétaires à prescrire. Entre petites doses et remède de cheval, l'ordonnance bruxelloise serait alors dressée au plus tard en juin.

Mais, ce mercredi soir, [Olli Rehn](#), le «M. Euro» de la Commission, a rendu publique une lettre adressée aux ministres des Finances de l'[Union européenne](#) rappelant que le pacte de l'euro permet un sursis, au cas par cas, dans un scénario de récession. «Si la croissance se détériore de manière imprévue, un pays peut bénéficier d'un délai pour corriger son déficit excessif, à condition qu'il ait fourni comme convenu les efforts budgétaires demandés», a précisé le commissaire européen chargé des Affaires économiques. «De telles décisions ont été prises l'an passé pour l'Espagne, le Portugal et la Grèce», a-t-il ajouté. Sans donner de blanc-seing à Paris, la première réaction de Bruxelles apparaît donc pour le moins conciliante.

Depuis Paris, les justifications a priori se multiplient

En privé, pourtant, les dirigeants européens s'inquiètent de voir [François Hollande](#) chercher à fédérer les mécontents de la [zone euro](#) pour affaiblir, voire renverser, tout le dogme du redressement budgétaire, imposé depuis trois ans par Angela Merkel et ses alliés du Nord. Depuis Paris, les justifications a priori se multiplient: [un euro jugé «trop fort»](#), un excès d'austérité qui précipiterait la récession, des recettes fiscales en peau de chagrin, sans oublier l'insuffisance jugée coupable de la relance interne en Allemagne. «Le problème est collectif, il faut le traiter collectivement», se plaît à répéter Pierre Moscovici à ses collègues européens.

Ce n'est pas de cette oreille qu'on l'entend, à Bruxelles, ni d'ailleurs à Berlin. De la même façon que la Chancellerie allemande avait répliqué au président Hollande en jugeant que «le problème n'est pas l'euro, mais la compétitivité de la France», les dirigeants européens s'intéressent moins aux bonnes excuses qu'aux responsabilités nationales. Oui, il faut s'attendre à un surcroît d'instabilité politique et sociale en Europe, concède un haut responsable européen, et la croissance risque d'être le point noir de l'année 2013, après l'euro en 2012. Oui, la France n'est cette année que le premier sur une liste de pays incapables de tenir leurs promesses, ajoute-t-on à Bruxelles.

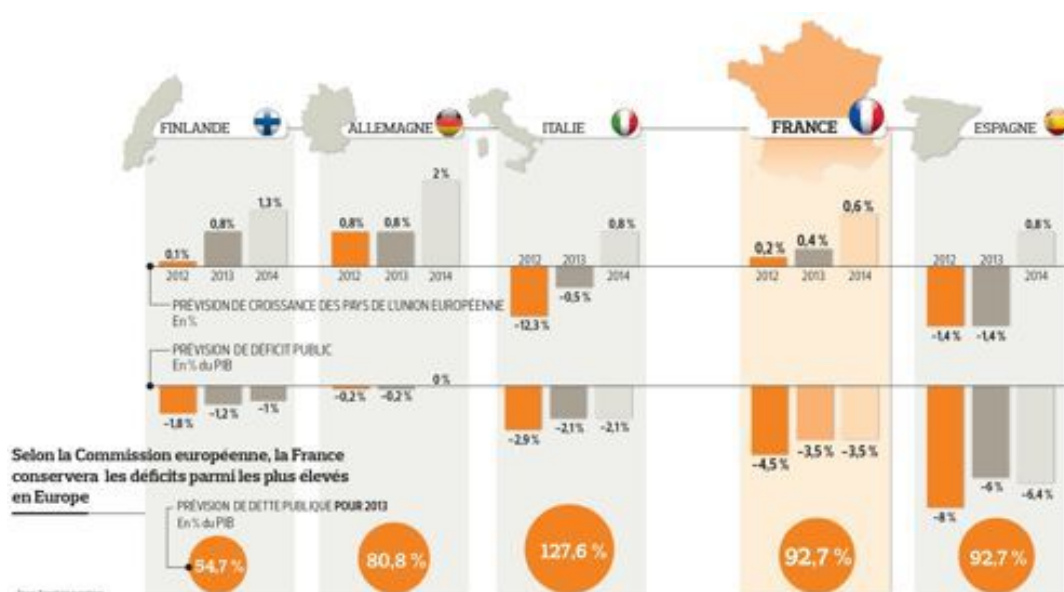
Mais il n'est pas question de laisser se créer autour de François Hollande ce qui peut ressembler à une alliance à revers. «Nous n'accepterons jamais de desserrer l'étau en général sous prétexte que la question de la croissance serait posée par plusieurs capitales en même temps, avertit une source bien placée. Il n'y aura pas de fuite collective en avant, parce que les règles de la discipline européennes sont transparentes et connues de tous. Les problèmes continueront de se régler au cas par cas, avec des solutions et des responsabilités établies pays par pays.»

La réaction de Berlin sera décisive

En clair, des pays qui s'engagent dans de profondes réformes structurelles, comme la Grèce, l'Irlande, le Portugal, l'Espagne ou l'Italie, peuvent espérer la clémence du jury. De l'autre côté, ceux qui renoncent encore risquent de ne trouver à Bruxelles que des demandes pressantes de passer à l'acte et de tailler dans leurs dépenses publiques.

À la Commission, les tenants de cette ligne dure savent bien qu'elle n'est viable qu'aussi longtemps qu'ils disposent du soutien d'Angela Merkel. La chancelière n'a pas pris de gants, ces derniers jours, pour casser deux initiatives surgies de l'Élysée, de la polémique sur l'euro fort au sommet sur le budget européen, où elle n'a pas hésité à se rapprocher de David Cameron pour rogner les ambitions dépensières de la France.

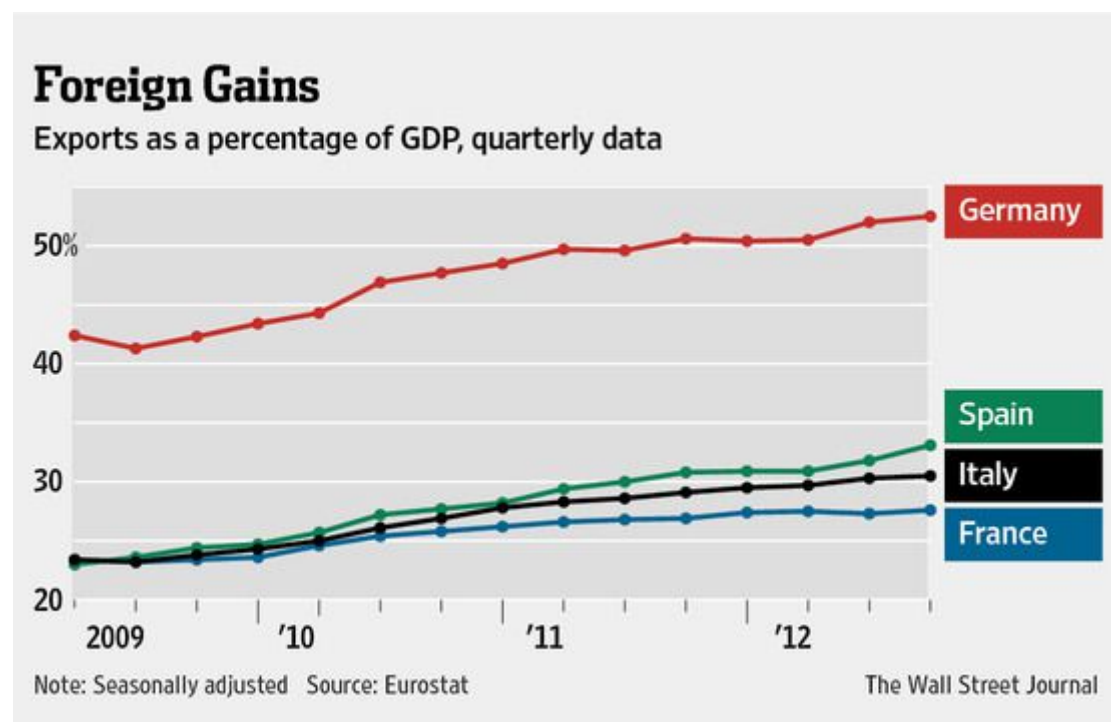
Berlin est resté muet ce mercredi aux annonces françaises en matière de déficit. Mais sa réaction, dans les prochaines heures, sera sans doute décisive pour savoir jusqu'où la Commission européenne aura le droit de lâcher du lest envers Paris.



Euro's Rise Threatens Corporate Recovery

By [DEBORAH BALL](#)

The euro's recent strength is dimming a rare bright spot for European companies: exports.



The euro remains popular across much of Europe even though it has left many of the region's economies struggling to compete. WSJ's Alessandra Galloni looks at why many Europeans shudder at the thought of abandoning the common currency. Photo: Reuters

With their home markets locked in a protracted downturn, European companies over the past few years have sought relief abroad. Exports have soared, making up 35% of national output in Spain last year, for example, rising from 22% in 2009.

But with the euro up 12% against the dollar since July and up 35% to a three-year high against the yen, European companies are squirming. A stronger currency makes a country's exports more expensive abroad—and thus less competitive—and reduces profit when it is brought back home.

The pain from the euro's gain has been spread unevenly, exposing a divide in which German companies are better able to adjust than those in France and Italy. Companies with the option will raise prices or cut costs. Others, though, will absorb a blow to earnings.

The North-South divide has sparked a clash among European politicians over whether policy makers should try to manage the euro's rise, which has climbed as the Continent's economy has stabilized and fears have receded that its common currency would break up. Officials from the Group of 20 nations are expected to discuss what some label a burgeoning currency war when they meet in Moscow at the end of the week.

Northeast Italy's Veneta Cucine SpA highlights the bind facing southern European companies.

The closely held maker of designer kitchens has sought to offset the collapse in its domestic market by beefing up its sales to hotels and resorts in Asia, creating a team of designers and market-research experts to serve clients that order thousands of kitchens at a time. The company also has slashed costs. But the strong euro is eroding that hard work, hurting Veneta Cucine's sales.

"We have worked a lot on our cost structure," said owner Denise Archiutti. "But we suffer from this lack of competitiveness in Italy, from our financing costs, to our cost of labor here. It penalizes us a lot."

A large part of the problem is that weak southern European companies can pay twice as much for bank loans as their northern rivals do. And labor laws on the southern rim make it tough to cut costs. Payroll costs in France and Italy are among the highest in the world.

By contrast, German companies have agreements with labor unions that give them more flexibility to adjust when market conditions are harder. German companies also tend to export more high-price goods, such as luxury cars and niche engineering products, giving the companies more leverage to raise prices to offset the stronger euro. With the exception of a few sectors such as fashion and aircraft, companies in southern Europe tend to sell products such as common machine tools and less-expensive cars, making it more difficult to raise prices.



Deutsche Bank DBK.XE -0.46% estimates that German companies can remain competitive with a euro at \$1.79, while French ones suffer at \$1.24 and Italians at \$1.17. The euro fetched \$1.35 in New York on Tuesday.

German car maker Daimler AG DAI.XE +1.85% said last week that it doesn't expect a stronger euro to hurt results much. Finance Director Bodo Uebber forecast that operating profit this year would be close to the €8.1 billion posted for last year.

The divide is reflected in political debate.

"The euro should not fluctuate according to the mood of the markets," French President François Hollande said this month. Efforts to improve competitiveness could be "destroyed by the rising value of the euro," he said.

The comments drew a sharp reply from Germany, where Vice Chancellor Philipp Rösler said the euro zone must "strengthen competitiveness, rather than weaken the currency." German exports represented 53% of gross domestic product last year, up from 41% in 2009, according to J.P. Morgan JPM -1.02% & Co.

"We need to have a currency that allows companies in Europe to be competitive in the world," said Carlo Bozotti, chief executive of STMicroelectronics NV, STM -0.64% Europe's largest semiconductor maker. The Switzerland-based company maker already struggles to compete with U.S. and Asian rivals because of its higher costs. While STMicroelectronics generates around three-quarters of its revenue outside Europe, the Mideast and Africa, it has large plants in France and Italy.

Mr. Bozotti said a 1% increase by the euro against the dollar lowers his company's operating income about \$30 million a year. The euro's rally has already damped sales; STMicroelectronics forecast that first-quarter revenue would fall 7%.

Companies are responding in various ways.

[European Aeronautic Defence & Space Co.](#) [EAD.FR +0.59%](#) already sells most of its products in dollars. The Franco-German company also has increased the amount of components and services it buys in the U.S. currency to 50% of revenue from 42% in 2007.

At [LVMH Moët Hennessy Louis Vuitton](#) SA, [MC.FR +0.41%](#) Chief Executive [Bernard Arnault](#) last month warned that the euro could hurt business this year and suggested that the French luxury-goods maker [MC.FR +0.41%](#) might raise prices in response. "The cloud on the horizon...is the evolution of currencies," he said. A strong euro "would have an impact on French exporters and for our group, even if we're in a very special situation compared with other exporters, as we can increase prices."

The euro's climb has been tougher on Italian firearms maker Beretta SpA as it competes with American rivals in sales to military and police departments in Asia, where sales are denominated in dollars. The rivalry makes it impossible for Beretta to raise prices enough to cover the higher costs of its euro-based factories. The result is that Beretta has had to accept sharply lower earnings to win contracts and keep important customers. Exports make up about 90% of Beretta's sales.

Beretta recently completed a reorganization of its Italian plants that cut costs 15%. But a stronger euro could force the company to take more radical steps. If the euro tops \$1.40, Beretta might shift more production to the U.S., where it already produces about a third of its products, said Director General Carlo Ferlito.

"A good level for the euro would be around \$1.20," said Gianni Zonin, who runs large wine producer Casa Vinicola Zonin SpA. He said he might have to raise prices next month if the euro doesn't ease.

"We have this overly strong euro that is dictated by the Germans, who want a strong currency without considering the impact on Italy, Spain and France."

Guest Post: Europe Is Not "Fixed": Two Charts

Submitted by [Tyler Durden](#) on 02/13/2013 09:53 -0500

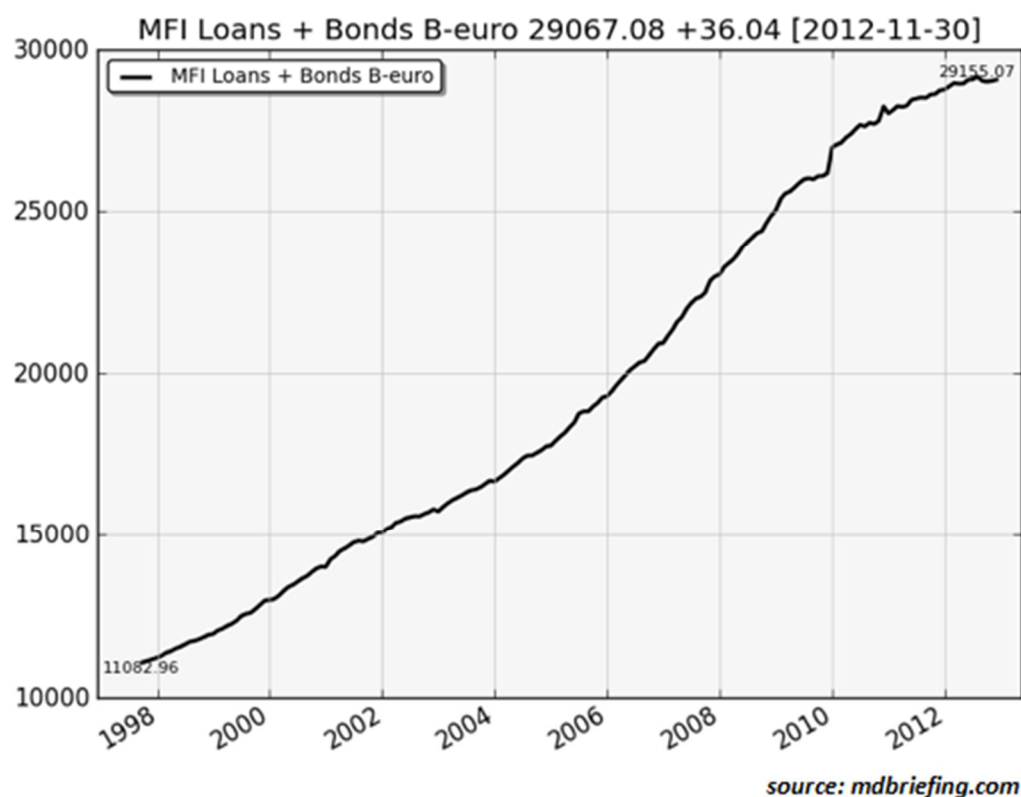
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Submitted by *Charles Hugh-Smith* of [OfTwoMinds blog](#).

The Eurozone is not a debt crisis that is "fixed," it is a debt crisis waiting to implode.

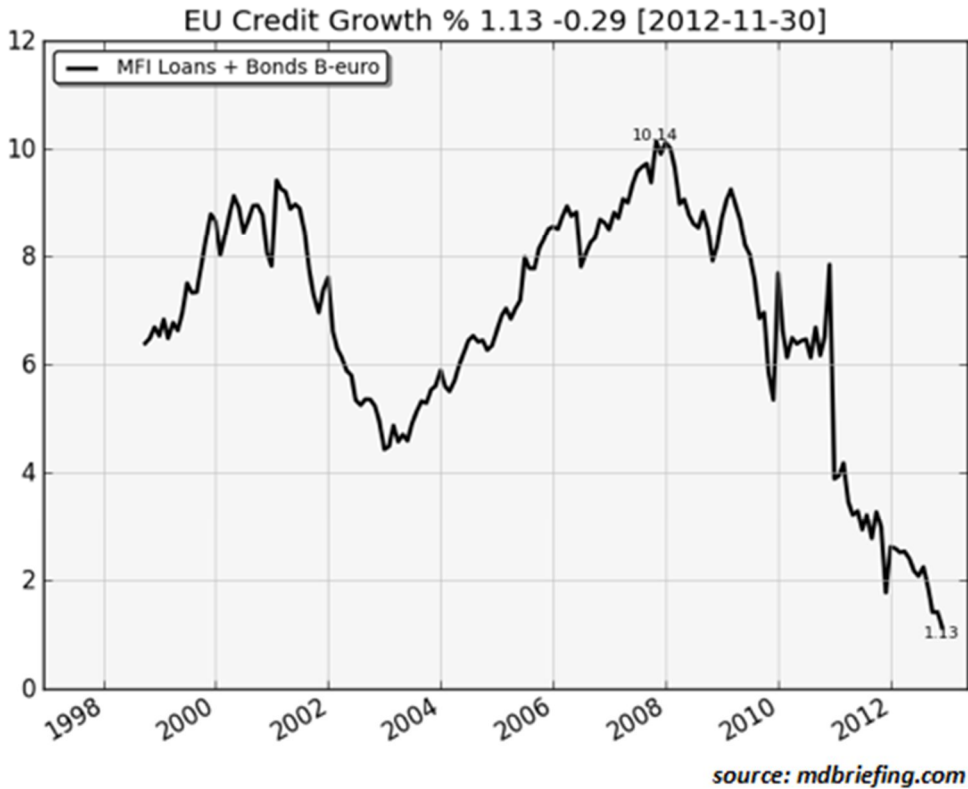
The happy-talk that the Eurozone debt crisis has been resolved is ubiquitous. But when did ubiquitous happy-talk make it correct? Since the crisis is about debt--too much of it, and too much of it cannot and will not be paid back--then perhaps it would be prudent to look at two charts of eurozone credit, courtesy of the insightful chart-based website [Market Daily Briefing](#).

Here is total Eurozone credit since the inception of the euro. This is roughly equivalent to TCMDO (Total Credit Market Debt Owed) in the U.S.



Notice that total credit owed has nearly tripled since the introduction of the euro in 1999, and that it continued to expand robustly after a brief pause in the global financial crisis of late 2008-early 2009. Recently, its expansion has flattened, but there is essentially no evidence that credit has declined, i.e. deleveraging.

Next up: Eurozone credit growth. Recall that debt-based, consumption-based economies like Europe, the U.S., China, Japan, et al. cannot expand without credit growth. Thus any decline of credit growth spells deflation:



This is not a debt crisis that is "fixed," this is a debt crisis waiting to implode. Total credit owed is still sky-high--only a trivial percentage of the debt has been written down or renounced.

Meanwhile, the credit growth needed to drive expanding consumption has literally fallen into the abyss.

This is the worst of all possible worlds in a debt-dependent economy: a massive overhang of impaired debt and a collapse in credit growth.

The only thing that's been "fixed" is the mainstream media's perception management propaganda. So is perception all there is to reality? The next six months should provide an answer.

Average:

Obama Bid for Europe Trade Pact Stirs Hope on Both Sides

By [NICHOLAS KULISH](#) and [JACKIE CALMES](#)

BERLIN — [President Obama](#)'s call for a free-trade agreement between the United States and the [European Union](#) has unleashed a wave of optimism on both sides that a breakthrough can be achieved that would lift trans-Atlantic fortunes, not just economically but politically.

Experts cited tough economic times on both sides of the Atlantic and a perceived need among European leaders for a cause to unify their frayed union as major reasons that an agreement might be reached now, where past efforts have failed. But an even greater consideration, they said, was the growing economic might of China.

“There will be an agreement in the end,” said Claudia Schmucker, head of the globalization and world economy program at the German Council on Foreign Relations. “This will be the first time in 20 years where something can happen.”

Proponents hope that a comprehensive trade agreement will not only raise economic growth, but also lower prices for European and American consumers and give new impetus to a relationship that has lacked forward momentum almost since the end of the cold war. Talks could begin in late May or early June.

Negotiations are not expected to be easy, with entrenched interests, especially in protected sectors of the agriculture industry, fighting to maintain their subsidies and preferences. European consumers have rejected the kinds of [genetically modified crops](#) that are commonplace in the United States but are known across the Atlantic as Frankenfoods.

Nevertheless, Mr. Obama's announcement was applauded by leading politicians and business groups in Europe, especially here in Germany, and so far the news has not provoked the instant union opposition in the United States that free-trade talks with underdeveloped, low-wage countries do.

Trade experts agreed that several new factors had converged to make an agreement more likely. The economic stagnation on both sides of the Atlantic has heightened the awareness that a prod to growth is needed. In a Democratic administration, free-trade agreements are much easier to reach with higher-wage, unionized countries like those in Europe that do not spook trade unions. And the cross-pollination between American and European companies, as in the auto sector, also is expected to blunt opposition from labor groups.

But China may present the single most compelling factor. There is an increasing awareness that to deal with the challenge of China's rapidly growing economy, Europe and the United States will have to learn to cooperate better.

“In every trade negotiation that I know of between Europe and the U.S., China is on their minds in terms of how can we use trade negotiations to better compete,” said Jeffrey J. Schott, a senior fellow working on international trade policy at the Peterson Institute for International Economics in Washington.

While trade deals often take years to negotiate, a senior Obama administration official said that a pact is possible in as little as 18 months — before the terms of the current European commissioners end. Even so, trade experts with experience from previous rounds say they are acutely aware of how often negotiations begin with optimism and grand plans and end with intractable fights between vested interests.

Karel De Gucht, the European Union's trade commissioner, said completing a trade pact could take two years. In an interview, he said that a deal “will have a worldwide impact.” The talks were “about our place, and by our place I mean the United States and Europe, within a decade on the world economic scene,” Mr. De Gucht said.

Mr. Obama devoted a single sentence to the topic in his [State of the Union address](#), but that was what proponents of a trade deal had been hoping for. His statement set the stage for talks to remove tariff barriers and regulatory hurdles between the United States and the European Union, which are already each other's largest trading partners.

In his speech on Tuesday, Mr. Obama called the initiative the Transatlantic Trade and Investment Partnership, but the idea is an old one, much discussed during the Clinton administration under the name Tafta, something like a sequel to the Nafta deal.

Mr. Obama's reference to talks about a possible free-trade pact with the European Union was a late addition to his State of the Union address, according to a senior administration official, because a working group of the United States and the European Union had sent recommendations to Washington only on Tuesday that the two sides were close enough on various issues to pursue talks toward a comprehensive free-trade agreement, rather than a more limited one.

That high-level working group has spent most of a year discussing whether the talks would cover just tariff issues, or also regulatory questions on environmental, pharmaceutical and automobile industry issues. The administration official, who declined to be identified, said the Europeans, being eager "for anything that looks like a growth strategy," seemed "to be ready to take on some of the more difficult issues" like agriculture.

There had been some frustration among supporters of a deal that more progress was not being made. "We've had 20 years of failure on these trans-Atlantic initiatives," Mr. Schott said, adding, "Before they signed on the dotted line they wanted to make sure there weren't any potholes that would trip them up."

Tariffs on goods traveling between the United States and Europe are low, averaging about 3 percent, but proponents say that the savings from eliminating duties would still be significant because the volume of trade is so enormous. Trade in goods between Europe and the United States totaled \$646 billion last year, according to United States government figures.

On Tuesday, two powerful American senators on the committee that would consider any draft trade agreement before it could get a Senate vote, warned that any deal must open Europe to American farm products.

Max Baucus, Democrat of Montana, who is chairman of the Senate Finance Committee, and Orrin G. Hatch of Utah, the highest-ranking Republican on the committee, wrote that a trade deal presented an "enticing opportunity" in a letter to Ron Kirk, the United States trade representative. European leaders, including Prime Minister David Cameron of Britain and Chancellor Angela Merkel of Germany, have been pushing for a trade deal as a low-cost way of stimulating their struggling economies. The United States Chamber of Commerce and large companies like General Electric have also lobbied for an agreement.

Potentially more important than abolishing tariffs, but also much more complicated, would be a deal that harmonized regulations on products like food, cars, toys and pharmaceuticals. Automobile manufacturers would like to see agreement on safety and emissions standards for cars, reducing or eliminating the need to build different versions for the American and European markets.

Matthias Wissmann, head of the German Association of the Automotive Industry, said that harmonizing safety features would save several hundred dollars per automobile. Mr. De Gucht, who is expected to lead the talks on the European side, said that a deal could provide vital leverage over emerging powerhouses like China.

Nicholas Kulish reported from Berlin, and Jackie Calmes from Washington. James Kanter contributed reporting from Brussels, Jack Ewing from Frankfurt, and Brian Knowlton from Washington.

Minimum Wage in Europe Offers Ammunition in U.S. Debate

By [LIZ ALDERMAN](#)

PARIS — Now that President [Barack Obama](#) has proposed an increase in the U.S. minimum wage, people on both sides of the debate in Washington might want to look to Europe for ammunition.

Minimum wage policies vary widely across the Continent, and as Europe grapples with the austerity measures that governments have imposed to help overcome its long-running [debt crisis](#), the issue — especially the way minimum wages affect growth and competitiveness — is as important as ever.

In countries like Germany, where there is no minimum wage, concerns are mounting that swaths of low-skilled workers are sliding into poverty. In more protective nations like France, where the minimum wage is used to address income disparity and stoke spending, some say that higher labor costs may make investors turn elsewhere.

“The impact on growth from changes in the minimum wage comes down to the level at which it is set,” said Simon Tilford, chief economist at the Center for European Reform in London. “Those set at moderate levels don’t have a negative impact on employment or growth. But clearly there is a risk that if it is raised too high, it can lead to problems.”

In the United States, he said, the minimum wage “is clearly very much on the low side.” He added: “It’s about striking a balance between the need to ensure people are on a living wage, and making sure that wage isn’t set so high that it prices them out of employment.”

One argument frequently advanced in places like France — and which Mr. Obama raised when he made his proposal during the [State of the Union address](#) to Congress on Tuesday — is that minimum wage levels must at least keep up with the rise in inflation. But even with an incremental increase, minimum wages still tend to be below what most people consider a living wage.

In France, which pioneered minimum wage legislation in Europe starting in the 1950s, President François Hollande recently raised the minimum wage twice to fulfill a campaign pledge to help low earners, even as Germany and other North European countries called for wage restraint as part of broad austerity measures intended to help Europe exit its long-running debt crisis.

Both moves resulted in political backlash. When Mr. Hollande lifted the hourly wage in June by 2 percent, to €9.40, or \$12.64 an hour, trade unions and political opponents said the increase was not nearly enough to help the working poor. “You can’t even buy a baguette every day” on the increase, a popular leftist leader, Jean-Luc Mélenchon, charged.

Yet when Mr. Hollande lifted it again last month by another 0.3 percent, to €9.43 an hour, the main lobby group for small and midsize French businesses warned that the decision would add to France’s already high labor costs, threaten investment and bring on “the destruction of tens of thousands of jobs among the least qualified.”

Still, while employers contend that lifting the minimum wage raises their overall cost of doing business, people earning low wages must rely on some form of welfare to supplement their income and survive, Mr. Tilford said. That means private employers are being subsidized in some form by the government, he said.

Since Britain introduced its minimum wage in 1999, Mr. Tilford added, “the impact on employment was minimal, and there was no indication it had any negative impact.”

In Germany, the picture is starkly different. Germany has no nationwide legal minimum wage, a point of contention for the main center-left political party, the Social Democrats, who plan to use the issue against Chancellor Angela Merkel in their campaign to unseat her in the elections next autumn.

Hourly wages are as low as €7 for laundry workers in eastern Germany but can also be higher. The minimum wage for construction workers in western Germany is €13.70 an hour.

But cuts in minimum benefits for jobless people since 2005 have put pressure on those seeking employment to work for low wages. That has contributed to a steep drop in unemployment — the jobless rate in Germany is a relatively low 7.4 percent. But it is also stoking complaints that employers are exploiting some workers. German media have reported on people earning less than €4, and €6 an hour is not uncommon in industries like food service or retailing.

Critics say such policies have also deepened [income inequality](#), even as the German economy outperforms most others in Europe.

“Much of the growth there has been from low-wage jobs, well below the minimum wage set in surrounding economies,” Mr. Tilford said. “This has priced people back into labor, but on wages that have to be subsidized by the government in various forms because people can’t live on those wages.”

The Social Democrats, in league with the German Confederation of Trade Unions, have begun a campaign to institute a nationwide minimum wage of €8.50 an hour. According to union figures, 7.5 million Germans, or 18 percent of the work force, currently earn less than that amount. Not surprisingly, industry groups oppose a minimum wage, arguing that it would kill jobs.

In the meantime, keeping wages low has hardly helped stoke consumer spending, an engine of domestic growth, Bert Colijn, a labor market economist at the Conference Board in Brussels, said.

“The fact that there is no minimum wage, and that Germany has been so hard-line on wage growth, has definitely had an impact,” he said. While Germans tend not to be big spenders to begin with, he said, “you don’t see that Germany has had a big pickup in consumption.”

In Spain, the debate has been more about whether to loosen collective bargaining agreements and allow companies to negotiate directly with employees, as is already the case in the auto sector — which has pushed wages down. The minimum wage in Spain was frozen in December 2011 by the government, a move that drew criticism from unions that has since died down. Spain’s minimum wage is in the lower part on a European scale, at around €748 a month.

Switzerland has also taken up the debate: although the nation seems to exude wealth, there is no minimum wage, which some say leads to big disparities in living standards.

Economists say that as Europe struggles to exit the crisis and ensure that more people do not fall through the cracks, the most important way to tackle those initiatives is by lifting productivity — something that minimum wage policies tend not to address.

“In the advanced economies of Europe and the United States, gains won’t come from being very cost competitive,” he said. Enhancing productivity, he added, “is the easiest way to improve things.”

Jack Ewing contributed reporting from Frankfurt, and Raphael Minder from Madrid.

Ayrault signe la fin de l'objectif des 3% de déficit

Par [lefigaro.fr](#), [Nicolas Barotte](#) Mis à jour le 14/02/2013 à 07:14 | publié le 14/02/2013

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Le premier ministre, Jean-Marc Ayrault. Crédits photo : PATRICK KOVARIK/AFP

L'engagement de réduction du déficit public: «Nous ne serons pas à 3%» du PIB en 2013. Mais l'objectif de zéro déficit à la fin du quinquennat est maintenu.

Les esprits avaient été préparés. [Alors que plusieurs ministres avaient émis des doutes sur la capacité de la France à respecter la cible des 3%](#) de déficits en 2013, [Jean-Marc Ayrault](#) a assumé la révision des objectifs de la France en matière de croissance et de réduction du déficit. Invité mercredi soir de France 3, le premier ministre a admis que la France ne serait «pas exactement aux 3 % [de déficit] en 2013». «Nous n'en serons pas très loin». En cause, la croissance «plus faible» aujourd'hui «en France, en Europe et dans le monde», a-t-il énuméré comme pour se dédouaner. Le premier ministre ne s'est pas risqué à évoquer de nouveaux chiffres. Il en dira plus «en avril» lorsqu'il présentera au Parlement ses objectifs de déficit.

Mais, a-t-il ajouté, «l'objectif, et il sera atteint, c'est le déficit zéro à la fin du quinquennat, ce qui compte c'est la trajectoire». Pour y parvenir, le gouvernement aura besoin de croissance. «Les outils sont là», a assuré Jean-Marc Ayrault en affirmant son volontarisme. «Ce n'est pas moi qui vais baisser les bras».

[François Hollande](#) avait lui-même laissé entendre mardi que l'objectif d'une croissance de 0,8% cette année ne serait pas atteint. La Commission européenne a toutefois estimé hier qu'[un délai peut être accordé en cas de dérapage de la croissance](#), à condition que le pays concerné ne relâche pas ses efforts budgétaires.

French Prime Minister Jean-Marc Ayrault announced on Wednesday that the country's new indebtedness will exceed three percent of the GDP, the budget deficit limit stipulated in the Stability Pact. In a [letter](#) to the Ecofin Council, EU Economic and Monetary Affairs Commissioner Olli Rehn indirectly backs France's position, the liberal-conservative daily Corriere della Sera writes: "The Greek crisis seems to have been averted for now. But what applied for Greece (or still applies) potentially applies for all EU states with high deficits: if their growth is suffering too much as a result of the crisis, Brussels can show a certain leniency when it comes to observing the rules. EU currency commissioner Olli Rehn says as much in his letter. An unprecedented concession. ... Rehn doesn't mention any names, but the first on the list is France. And it can't be ruled out that sooner or later Italy will also ask for leniency. So the Stability Pact seems to be turning into a kind of accordion once more. And the rules are being stretched to suit everyone's needs." (14/02/2013)

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Who's saying what [» Is France falling behind?](#)

Analysis: French reprieve on deficit may be short-lived

By Mark John

PARIS | Thu Feb 14, 2013 10:41am EST

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(Reuters) - France's admission that it will miss its 2013 public deficit target looks to have escaped punishment for now, with bond markets still granting it cheap borrowing and the European Union's fiscal enforcers signaling leniency.

But the reprieve will be short-lived unless President Francois Hollande can quickly spell out how his government plans to keep a bigger promise to balance the budget by the end of his mandate in 2017 while the economy flirts with recession.

Prime Minister Jean-Marc Ayrault let slip on Wednesday what has been an open secret for months: the slowdown will mean that [France](#) will fail to cut its public deficit from 4.5 percent of output in 2012 to 3 percent this year.

For now, financial markets are giving Paris the benefit of the doubt and are hoping the shortfall will not be too glaring. The yield on France's benchmark 10-year bond has barely budged from just above record lows of two percent, and the spread with German debt is likewise unchanged.

The greater concern is that, nine months into his presidency, Hollande has still not revealed how he plans to find further savings which could turn Socialist allies, trade unions and the street against him.

"No reform that would bring significant savings beyond 2013 can as yet be identified," France's state finances watchdog, the Court of Auditors, noted in its annual report this week, urging new measures to be "rapidly taken and clearly documented".

For Hollande, this may be a watershed moment.

Wringing an unprecedented 38 billion euros of savings from public finances so far has been hard enough. But to go further he must cut into the flesh of French state spending - at 56 percent of output second only to Denmark's in the Western world.

PATH OF LEAST RESISTANCE

In a letter to EU [finance](#) ministers posted on his website on Wednesday, EU Economic and Monetary Commissioner Olli Rehn said he would give countries extra time to meet deficit targets in times of weak growth as long as they proved they were trying.

With data showing the French economy shrank by 0.3 percent in the last quarter of 2012, that could let France off the hook when the European Commission on February 22 reviews efforts by EU states to chip away at their debt mountains.

France argues that its structural deficit - the part not affected by swings in the economy - is set to fall as planned to just 1.6 percent of output this year, a performance it believes should convince Rehn of its good faith.

But it recognizes that it will still be judged largely on what the headline deficit outcome is.

"It will all depend on how far away we are from 3 percent," said one French government source, acknowledging that Paris would also have to show it has a credible plan to keep debt-cutting in motion in return for getting some leeway.

The EU, the International Monetary Fund and many independent analysts are forecasting that France's 2013 deficit will come in around 3.5 percent, with economic growth this year roughly half the 0.8 percent the government is forecasting.

Until now, Hollande has chosen the path of least resistance by favoring tax hikes on business and the wealthy over spending freezes to secure three quarters of the fiscal effort so far.

But amid howls of protest that he risks scaring off investment, his government has committed to avoid further tax rises, meaning the only way from now on is chopping expenditure.

SHOWDOWN WITH THE LEFT

The government has already dared to cut a few billion euros out of lavish subsidies which pass from central state coffers into local administrations across the country where expensive and often wasteful mini-fiefdoms have been built up.

Planned reforms of pensions and social benefits later this year give Hollande a further opportunity to revamp a welfare model which is among the most generous in the world.

Moreover the French economy is in a better shape than those of Spain and [Italy](#), whose governments have already embarked on tough austerity programs.

But in a country where no government has balanced a budget in the past 38 years, any major cost-cutting would require a hardiness that has eluded presidents both left and right.

Hollande's political capital has been boosted by the success so far of France's military intervention to oust al Qaeda-linked rebels from the north of its former African colony Mali.

This week's passage through the lower house of parliament of a bill allowing gay marriage - an emblematic project of his Socialist Party - may also give him some room to make moves that would otherwise be unpalatable to the left.

But with unemployment rooted around 13-year highs above 10 percent, the public mood for further austerity is limited.

The suicide by self-immolation of a jobless man who set fire to himself outside a state employment agency in the western city of Nantes on Wednesday was seized upon by labor groups as proof that many French are already living in misery.

The powerful CGT union is increasingly showing its teeth, enraged at the thousands of jobs cuts due to fall as part of the restructuring of auto-maker PSA Peugeot Citroen ([PEUP.PA](#)), which this week reported a record 5 billion euro loss for 2012.

So far, efforts to mobilize protests have had only limited success. The tens of thousands of public workers who took to the streets for one march last month marked a drop from the mass protests France has often seen in the past.

But left-wingers within the Socialist Party are beginning to campaign more openly against the austerity push. The "Now The Left" grouping of high-profile councilor Emmanuel Maurel and Senator Marie-Noelle Lienemann this week urged Hollande to abandon deficit targets and embark on a dash for growth.

"Hollande has been fairly lucky so far," said one Socialist Party insider. "But this is where the discussion is heating up."

(Additional reporting by Brian Love and Jean-Baptiste Vey. Editing by Mike Peacock)

Liberté Egalité Fiscalité

The French continue to live in a fiscal fantasyland

By Luis Riestra Delgado — February 7, 2013

Luis Riestra Delgado is an economist whose blog Macro Matters runs on Voz Pópuli.

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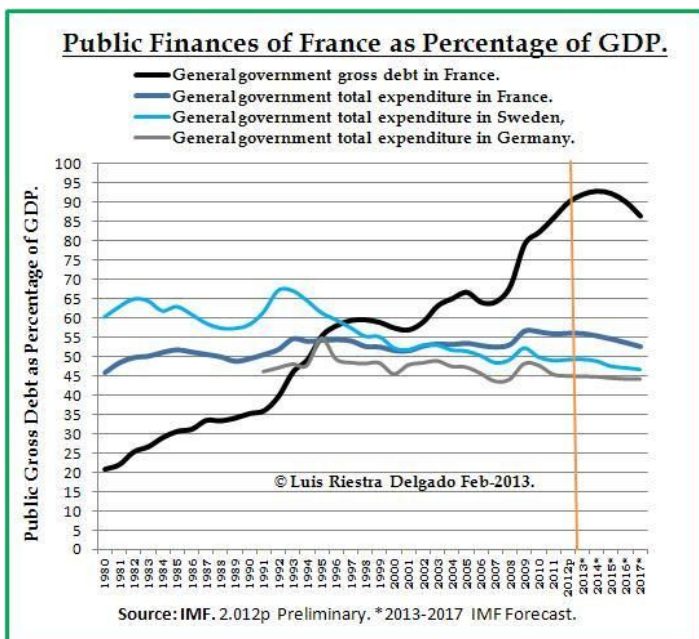


France remains with head held high, despite the fact that its economy is headed for lows. AP Photo / Andy Wong

The EU talks over the seven-year budget raise the perpetual question of whether the union is sustainable. With the periphery in a structural fiscal crisis, the threat of a UK split and [the scandal of EU salaries and benefits](#), the situation is dire as ever. Meanwhile, governments and citizens from the periphery desperately seeking growth look to the French proposals as an alternative to the German and Nordic philosophy of “doing better with less.” But this search is in vain as the Hollande overture has no solid economic foundation, as the economic situation of his country shows.

The grandeur and the patriarchal state

Deep inside in the minds of the French people is the idea of a nanny state that directs and orients the destiny not only of France and its view of the world, but also of a world led by France, *naturellement*. In the pursuit of this aim, France has been spending, over the last 30 years, an increasing amount of money as a percentage of GDP that will likely lead to a sovereign debt crisis in the future.



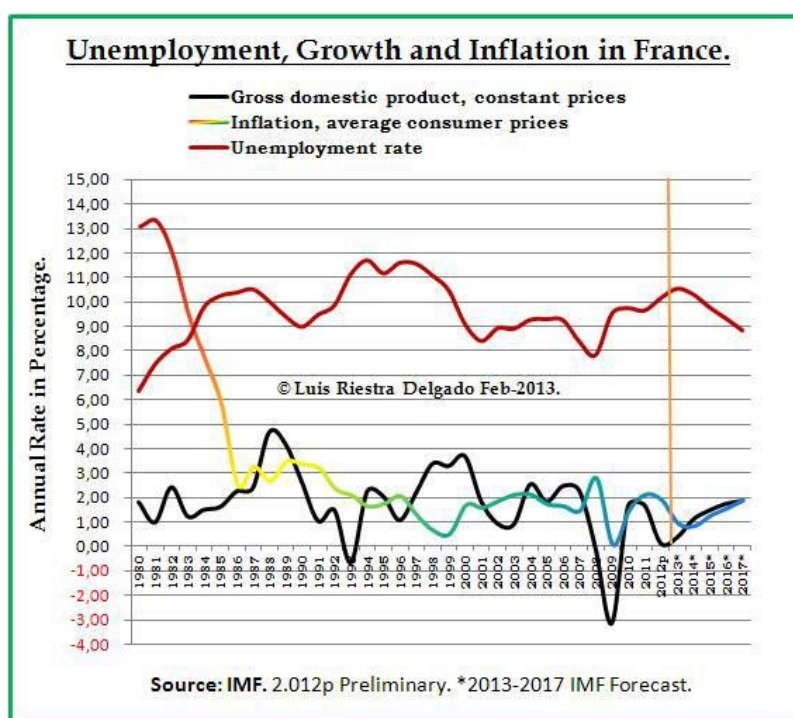
This French model of public management is clearly unsustainable. If you compare France to Sweden or Germany, whose public spending is over 50% of GDP, France is almost 15 years behind in this respect.

I found the forecast of the IMF data shown in the charts, as in the cases of Brazil, Mexico or Turkey, among others, too optimistic. It seems that with the entrance of [the woman in black](#), Madame Christine Lagarde, the IMF has been infected with the French tendency of avoiding reality.

Flying Hollande

French voters have perpetuated their fantasy by electing Hollande, a man who will clearly make France (and the EU) capitulate to his fiscal limits. His idea of increasing the marginal income tax rate to 75% has made it so that [even Sarkozy is thinking of moving to London](#) to avoid such madness.

Hollande is confusing austerity with indiscriminate cuts and it's certainly alarming that this error, with which he won the elections, remains present in his discourse. With a public gross debt close to 90% of GDP, France has crossed the red line in which indebtedness means lower growth, [as Carmen M. Reinhart and Kenneth S. Rogoff demonstrated long ago](#).



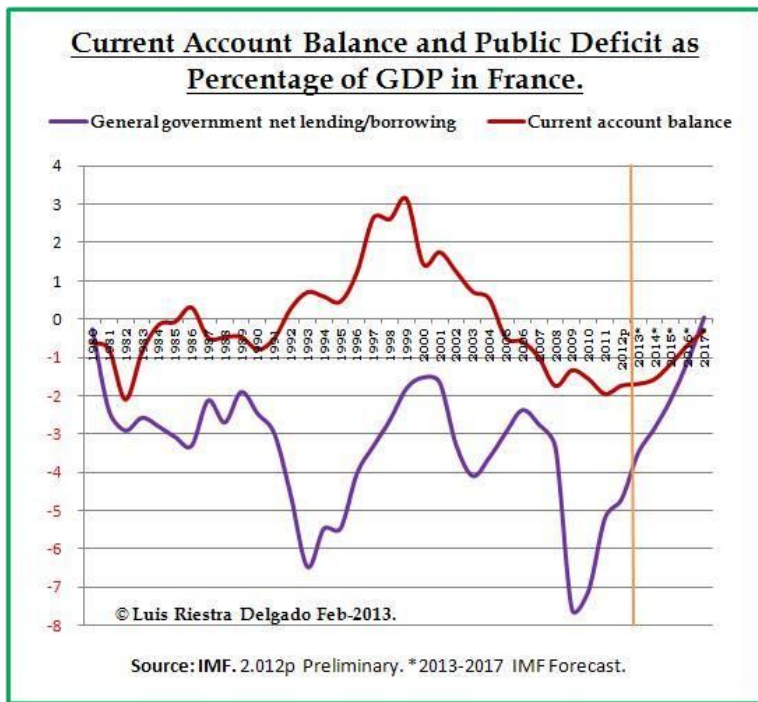
The pursuit of growth with a failed model

Monsieur Hollande wants growth to create jobs, to have a better life, to save the welfare state and to achieve the necessary deleveraging, public and private. But in the particular case of France (and the EU), a change of model is urgent and unavoidable.

Hollande's decision of pulling back austerity measures and calling for citizens to take responsibility of their finances is simply insane. There is no doubt that the old French model has failed: workers are desperate to keep their jobs as the population ages; there's a [suicide epidemic](#); social turbulence translates into thousands of torched cars per year ([the exact amount is censored](#)); and ethnic integration has become a myth.

A power in directress with a leader in dissociative fugue?

France is anchored in global trade with leading companies in almost every major global sector, but its global position is now at risk due to the dysfunctional model and the bad management of the monetary union and of the EU.



In a very difficult environment, where European firms are focused on exporting and with many French corporations positioned in between German and Italian and Spanish ones, French companies have done a great job reverting the French trade imbalance trend, as shown in the red line of the chart above. Additionally, the French state was consolidating its public accounts without damaging growth until Hollande, in his French (and EU) fugue put these assets at risk.

EU Sustainability

The French idea of making a European super-state is facing the reality of its lack of financial muscle and the inability of Brussels to defend the EU members' interests. Instead of offering a credible solution combining growth, fiscal austerity and EU efficacy, Hollande comes with more of the same, perhaps expecting that Merkel will lose her next elections on Sept. 22. Then, we could all have a *French* Union with its unsustainable path of stagnation, confiscatory taxes and over-indebtedness.

We welcome your comments at ideas@qz.com.

Eurozone: ‘Deficit: French case embarrasses Europe’

14 February 2013

Presseurop

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Le Figaro



[Le Figaro](#), 14 February 2013

On February 13, France acknowledged that it will be unable to respect the budget deficit target of 3 per cent of GDP this year. On the same day, European Commissioner for Economic Affairs Olli Rehn made public a letter addressed to EU finance ministers, which points out that the Pact for the euro allows for exemptions, on a case by case basis, in the event of recession.

“In private, however,” notes the daily —

European leaders are concerned to see François Hollande attempt to garner support from eurozone malcontents with a view to watering down, or even scrapping, the dogma of budgetary austerity, which Angela Merkel and her allies in Northern Europe have sought to impose over the last three years.

Which way for Mr Hollande?

Elected on the left, France's president seems to be veering towards the centre

Feb 16th 2013 | PARIS | [From the print edition](#)



THE longer François Hollande spends in office, the more it takes sharp eyesight and a clear head to follow his economic policy. Since his election last May, the Socialist president has mixed tax-and-spend measures with efforts to improve competitiveness. The rich feel squeezed; firms are annoyed by anti-business talk. Yet, with GDP shrinking in the fourth quarter of 2012 and job losses mounting, the man elected on a leftist programme is accused of a swerve to the reformist centre. What is Mr Hollande up to?

In his first few months he ticked off items on his manifesto. He lowered the pension age for certain workers. He raised a family benefit. He capped petrol prices. He vowed to stop companies closing factories. He prepared a budget for 2013 that tried to keep the budget deficit to 3% of GDP, but chiefly through tax increases: it soaked the rich with a 75% income-tax rate, and hit companies and individuals with other higher taxes. Returning from his summer break, Mr Hollande seemed like a man with the luxury of time on his side.

What followed in October was, therefore, sprung on an unsuspecting public. After a damning report on French competitiveness by Louis Gallois, a left-leaning industrialist, Mr Hollande announced €20 billion of tax breaks for companies employing low-wage labour, to compensate for high social charges. A sense of urgency and realism began to creep in. Mr Gallois talked of an “emergency situation”. For the first time, the government acknowledged labour cost as a factor behind France's loss of competitiveness to Germany over the past ten years. Mr Hollande even started talking of cutting public spending, which accounts for over 56% of GDP. This was followed in January by an unexpected agreement with the unions to soften labour-market rules, making it easier for companies to reduce hours and wages in a downturn.

In some ways, all this was just an inevitable encounter with economic reality. Mr Hollande had based his manifesto on growth in 2013 of 1.7%; in office, he revised this to 0.8%. Now the fantasy is over: this week Mr Hollande conceded, like most economists, that growth would be much lower. As a result, said the Cour des Comptes, the national auditor, in its annual report on February 12th, France has “little chance” of meeting its 3% target.

Across the country, factories have been closing. Industrial production has stalled. Entrepreneurs feel penalised. Investment plans are on hold. Anecdotes abound of rich families leaving the country. Faced with this, and with poor poll ratings, Mr Hollande has begun to recognise the limits of state power, and of a tax-and-spend policy in a country that breaks records for both. Now Jean-Marc Ayrault, his prime minister, wants “to reinvent the French model”. Pierre Moscovici, the finance minister, even claims there has been a “Copernican revolution” on the left. By conceding the need for supply-side measures to reduce labour costs, he says, the French left has made a big shift. Indeed. Some say that those around Mr Hollande in charge of economic policy, including Mr Moscovici, Michel Sapin, the labour minister, and Emmanuel Macron, the economic adviser in the Elysée, have long understood what is really needed to solve France’s competitiveness problem.

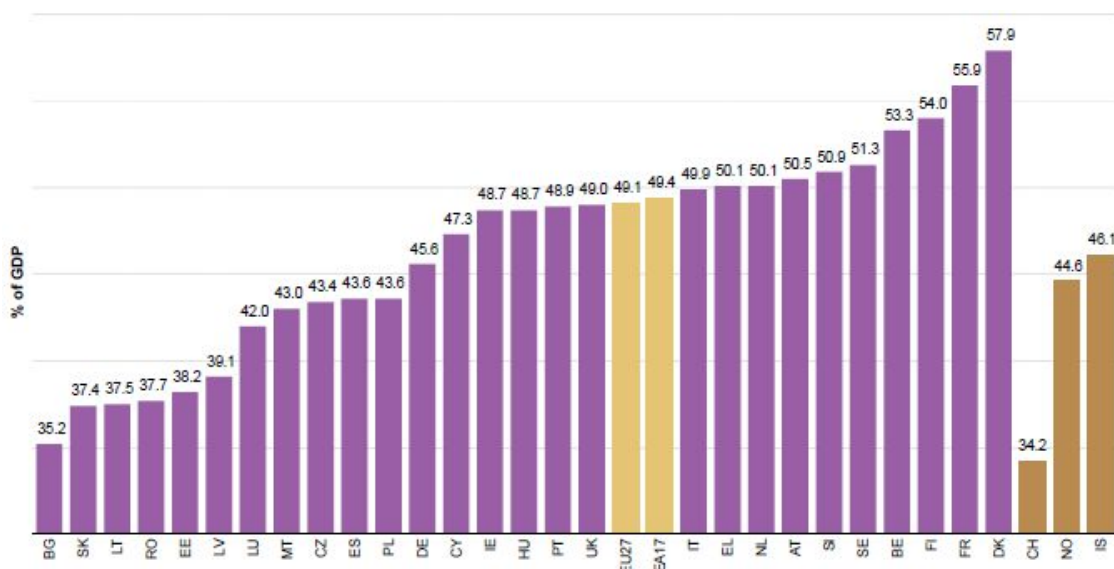
The trouble is that the rest of the Socialist Party, particularly in parliament, does not agree. Manuel Valls, the popular straight-talking interior minister, says that “The challenge for the French left is that we should have done this ideological metamorphosis during the past ten years of opposition.” Instead, “We are adapting our software while in office.” With its deputies supplied largely by the public sector, this is awkward. Already, the left accuses Mr Hollande of giving in to “neo-liberal principles”. Thierry Lepaon, the new leader of the Confédération Générale du Travail, France’s biggest and communist-linked union, complains that he is doing “the opposite of his campaign commitments”.

In reality, it is hard to detect a linear evolution, let alone a revolution. For one thing, Mr Hollande is a political animal who plays by the rule that it is better not to say too clearly what you are doing. He refuses to acknowledge a U-turn. He let Arnaud Montebourg, his industry minister, talk of the compulsory nationalisation of a steelworks, before ruling it out. He has pinned himself into a corner over the 75% tax rate, which was ruled unconstitutional in December, but which he cannot entirely bury without losing face.

It is also far from clear that Mr Hollande, even if he sees the need to curb public spending, is ready to do it. In its damning report, the Cour des Comptes deplores the fact that tax rises make up three-quarters of 2013 budget savings, and urges a greater effort to cut spending. But this will require an overhaul of pensions and welfare spending, as well as civil-service staffing, none of which is on the table.

Mr Hollande could yet turn out to be a Gerhard Schröder *à la française*, willing to bring in deep reforms, as the former centre-left German chancellor did, to shake up the French welfare state and restore competitiveness. But a more likely outcome is that he will do just enough to keep the markets and the ratings agencies at bay, without ever fully confronting vested interests. “Whenever he can avoid hard choices, he will,” says somebody who knows him well. This may keep France from disaster. Whether it will reverse the slow decline of the past decade is far less certain.

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:General_government_expenditure_by_country_as_a_percentage_of_GDP,_2011.png&filetimestamp=20120801091321



A l'origine de la "règle des 3 %", la France l'a souvent ignorée

Le Monde.fr | 14.02.2013 à 18h37 Par Samuel Laurent

69,102



Inventée "sur un coin de table" et "sans aucune réflexion théorique", selon son initiateur, [l'économiste Guy Abeille](#), la règle européenne selon laquelle le déficit budgétaire ne peut excéder 3 % du produit intérieur brut (PIB) fait à nouveau [parler](#) d'elle. La France vient en effet d'[annoncer](#) qu'elle ne pourrait [tenir](#) sa promesse de [ramener](#) le déficit sous ce seuil avant 2014. Une nouvelle qui n'a que peu surpris, et un renoncement qui n'est pas le premier, loin de là.

EN 19 ANS, LA FRANCE N'A ÉTÉ "DANS LES CLOUS" QUE 7 ANS

C'est un paradoxe : la France, qui est à l'initiative de cette règle, partie des "critères de convergence" ou "de Maastricht", destinée à [imposer](#) une [forme](#) de cohérence entre Etats membres de l'Union, a été la première à ne pas la [respecter](#) et à [encourir](#) des sanctions financières, qu'elle a toujours évitées.

Le graphique ci-dessous, construit à [partir](#) des chiffres de l'Insee, montre que, depuis 1994, [Paris](#) n'a été "dans les clous" de Maastricht qu'à deux périodes : de 1997 à 2001, puis de 2005 à 2007.

De 1994 à 1997, de 2002 à 2005 et depuis 2007, soit douze années sur dix-neuf, la France s'est donc affranchie de la fameuse règle des 3 %. En promettant à chaque fois à ses partenaires et à l'[Europe](#) que des circonstances exceptionnelles justifiaient ces écarts, et en assurant toujours qu'elle ferait tout pour [revenir](#) sous la fameuse barre.

JUPPÉ PUIS RAFFARIN ONT DÛ [PLAIDER](#) LA CAUSE DE LA FRANCE FACE À L'UE

En 1995, [Alain Juppé](#), premier ministre de [Jacques Chirac](#), doit [composer](#) avec le déficit laissé par l'équipe précédente, celle d'Edouard Balladur et d'un jeune ministre des [finances](#) : [Nicolas Sarkozy](#). Le déficit public tourne autour de 5 % du PIB. Et Alain Juppé donne des gages à Bruxelles, écrit *Le Monde* du 21 septembre 1995 : "Le premier ministre a, sur ce point, voulu [donner](#) des assurances précises : les déficits publics seront ramenés de 5 % du produit intérieur brut (PIB) en 1995 à 4 % en 1996, puis à 3 % en 1997."

La pente sera tenue, aidée par une reprise économique qui pointe son nez, et qui profitera surtout au gouvernement Jospin. Ce dernier parvient à [ramener](#) le déficit jusqu'à 1,4 % du PIB en 2000, un record qui ne sera plus battu par la suite. Mais l'embellie économique fait long feu. Et 2001 marque le retour de la crise, et la chute du déficit budgétaire, qui franchit à nouveau les 3 %.

Dans un premier temps, Paris pense encore possible de [tenir](#) le cap. Francis Mer, éphémère ministre de l'économie, promet que la France va "tout [faire](#) pour pour [revenir](#) sous la barre des 3 %". Mais Jean-Pierre Raffarin, qui prend la suite de Lionel Jospin en 2002, déchanté rapidement. [Il se rend à Bruxelles au printemps 2003](#) pour [expliquer](#) à la commission européenne que la France ne tiendra pas le cap. "Le chiffre [de 3 %] sera atteint lorsque les recettes seront en relation avec les dépenses", explique le premier ministre, qui promet d'[inscrire](#) ce retour à son "agenda 2006". Martial, le premier ministre assure qu'il "assumera ses responsabilités", et évoque une priorité au "soutien à la croissance et à l'[emploi](#)" plutôt qu'à la réduction des déficits.

En 2004, la France et l'[Allemagne](#), qui sont toutes deux sous la barre des 3 %, subissent une "procédure de mise en garde" de Bruxelles. Les deux pays [font front commun contre la Commission européenne](#), et évitent les sanctions en estimant que les critères de Maastricht doivent être interprétés de manière "*souple et crédible*". Il faudra [attendre](#) 2005 pour que le déficit public franchisse à nouveau la barre des 3 %. Brièvement : en 2007, au moment de la présidentielle, le déficit replonge et menace de [repasser](#) dans le rouge.

QUAND SARKOZY PROMETTAIT UN RETOUR À L'ÉQUILIBRE EN 2010

Cette fois, [Nicolas Sarkozy](#), qui vient d'être élu, s'adresse lui-même à Bruxelles pour [plaider](#) la cause de la France. Son programme prévoit en effet des dépenses supplémentaires destinées à [relancer](#) l'économie, au prix d'un déficit plus grand. "*Je suis bien obligé de réfléchir à un véritable choc économique et fiscal pour que la France parte à la conquête de ce point de croissance qui lui manque*", explique-t-il à José Manuel Barroso, alors président de la Commission européenne. Celle-ci a accepté de [faire cesser](#) la procédure engagée contre la France, contre la promesse que Paris réduirait le déficit et ramènerait les finances à l'équilibre avant 2010.

En juillet 2007, Nicolas Sarkozy vient donc devant les ministres des finances de l'UE pour leur [dire](#) qu'il [s'efforcera de poursuivre cet objectif](#), et leur [demander](#) de lui [laisser pratiquer](#) sa [politique](#) de relance par des baisses d'[impôts](#), le fameux "choc fiscal" dont il espère une croissance reboostée.

Il n'en sera finalement rien. A [partir](#) de 2008 éclate la crise des subprimes, qui plonge le monde dans le marasme économique. Les critères de Maastricht sont oubliés, et les pays européens décident d'une relance de la [consommation](#) par l'investissement, qui coûte cher. De 3,4 % du PIB en 2008, le déficit budgétaire explose, à 7,5 % en 2009. En 2010, année où la France devait [ramener](#) ses finances à l'équilibre, elle affiche un déficit courant à 7,1 %, du jamais vu en vingt ans.

LA "RÈGLE D'OR" POUR [OBLIGER](#) LA FRANCE À [RESPECTER](#) SES ENGAGEMENTS

Entre 2010 et 2012, le gouvernement Fillon lance plusieurs plans de rigueur destinés à [ramener](#) au plus vite la France "*dans les clous*". Des subprimes, la [crise financière](#) est devenue une "crise des dettes souveraines" : les [marchés financiers](#) craignent de prêter de l'argent aux Etats. Il faut les [rassurer](#). C'est dans ce but que la France débat, à l'été 2011, [de la fameuse "règle d'or"](#), et multiplie les promesses de baisse drastique du déficit.

L'idée est de [faire](#) une loi qui impose à l'Etat de réduire son déficit. C'est l'un des enjeux de la campagne présidentielle. Nicolas Sarkozy souhaite cette règle, que le PS refuse. [François Hollande](#) y est favorable, mais exclut de l'[inscrire](#) dans la Constitution comme le propose M. Sarkozy. Il s'engage, en revanche, à [ramener](#) le déficit à zéro d'ici à la fin de son mandat.

Finalement, le traité négocié entre Nicolas Sarkozy et [Angela Merkel](#) au printemps 2012, et qui sera repris dans ses grandes lignes par François Hollande, arrivé au [pouvoir](#) entre-temps. Ce dernier fait [adopter](#), en marge du "traité sur la stabilité, la coordination et la gouvernance" de la zone euro, qui sera voté fin 2012, [une loi organique prévoyant l'obligation de réduire les déficits](#). Mais, comme la plupart de ses prédécesseurs, il doit rapidement déchanter et [annoncer](#) que les objectifs promis par le pays en matière de diminution du déficit ne seront pas tenus.

Samuel Laurent

No to EUsterity

The European Parliament threatens to veto a hard-won budget

Feb 16th 2013 | [From the print edition](#)



THE bitterest family rows are often over money. So it is with the European Union's leaders. For three years they have argued over who should pay what to save the euro. Earlier this month presidents and prime ministers battled through a sleepless night and a day over the EU budget. Back home, some of the disputed sums might have been approved on the nod.

It is an absurd way to run the world's biggest economy. The comedy of interminable haggling is compounded by the farce of each leader twisting the numbers to claim victory. Such is the misery that the EU now draws up budgets for seven-year periods. But this is too rigid—even the Soviet Union limited itself to five-year plans. And it magnifies the sums at stake: nearly a trillion euros for 2014-20. Looked at another way, though, the budget is only about one-fiftieth of public spending in the EU. For rich countries, net contributions amount to about 0.3% of GDP.

One reason for the budget mess is that the money comes from national treasuries, creating a zero-sum game. Another is that the budget must be agreed unanimously. A third is the economic crisis. Most net contributors cannot see why the EU should be exempted from the austerity it preaches to others. And for those running deficits every pound, crown or euro sent to Brussels is an extra pound, crown or euro that must be borrowed.

As if steering a budget past 27 national vetoes were not hard enough, there is now the threat of a 28th, from the European Parliament. A rejection would be its most confrontational act since it forced the resignation of Jacques Santer's European Commission in 1999 over allegations of corruption. Would MEPs really dare be so bold, not to say insolent?

Voting in the European Parliament is unpredictable. Without such notions as a government or an opposition, party discipline is weak. One Eurocrat quips that "the whole parliament is the opposition". The single idea that unites most MEPs is a desire for "more Europe", which usually means more euros. Power derives from the

ability to spend. Because the EU does not raise taxes directly or borrow, there are no votes in calls for spending cuts.

MEPs were outraged when EU leaders decided, for the first time, to trim the budget for 2014-20 by 3% from the previous period. This was a triumph for Britain's prime minister, David Cameron, who also preserved his country's much-hated rebate. How, critics asked, could he dictate a budget for the whole EU, running to 2020, when Britain might not even belong after 2017, when Mr Cameron wants to hold a referendum on membership? In truth, the budget was dictated by Angela Merkel. The German chancellor lined up with Mr Cameron against France's François Hollande, who clumsily allied himself with the parliament. The budget ended up where she wanted it: at 1% of gross national income.

Even before the summit ended, the leaders of the four parliamentary "families" had issued a joint statement declaring the deal to be unacceptable. Their leverage is enhanced by the 2009 Lisbon treaty, which stipulates that the budget must be approved by an absolute majority of the whole assembly (ie, absences and abstentions count as No votes). Fringe parties of left and right will probably vote against, as could several in opposition at home. French Socialists are being urged by some in Paris to "improve" the terms secured by Mr Hollande.

A stalemate would suit a few. It would push the EU to annual budgets based on 2013 levels, producing higher spending than agreed on by the summit. Yet it would antagonise two groups: recipients of cohesion funds, who would struggle to plan multi-year projects, and net contributors with temporary rebates that will lapse without a new budget (Austria, Germany, the Netherlands and Sweden).

Many MEPs will come under strong pressure from national capitals. The threat of removal from party lists for next year's European election explains why some want a secret ballot, strange as that may seem. Behind the posturing lies a readiness to compromise. Governments hint they would accept some of the parliament's demands, such as a commitment to review the budget in two or three years' time or greater flexibility to move money between headings and from one year to the next. Catherine Trautmann, leader of the French Socialists, says: "We seek a negotiation, not the politics of the empty chair."

Time to cut the CAP

Euro-federalists say it would all be much easier if the EU could raise taxes directly. "The Americans said no taxation without representation. But in the EU we have representation without taxation," complains Sylvie Goulard, a French liberal MEP. Yet most governments treat the EU as an international organisation and want to retain control over its money.

The argument boils down to the question of where democratic legitimacy really lies. Little-known MEPs can scarcely claim to command greater popular allegiance than national political leaders, unloved as some may be. And the European Parliament is unlikely to make itself more appealing by overruling national treasuries and parliaments, let alone seeking to exact European taxes on top of already high national ones.

Rather than moan about marginal cuts to a small budget and pursuing the chimera of "own resources" (eg, EU taxes on carbon or financial transactions), the parliament would do better to focus on the real outrage—that EU leaders did so little to change outdated spending priorities. They have left close to 40% of the budget going to agriculture, an industry that generates less than 2% of GDP. Slashing the CAP could release resources for areas where the EU can genuinely enhance growth, like research, education and cross-border infrastructure. The EU could have the best of both worlds: less spending and more European value.

Agriculture subsidies top new EU austerity budget

The largest share of the EU's budget covering the 2014-2020 period will go to agriculture subsidies, European union leaders decided on Friday, in a deal that was seen as favourable to France and other major farming nations.

By [FRANCE 24](#) (video)

[News Wires](#) (text)

69,106

Farm subsidies will continue to gobble up the biggest share of the European Union's budget to 2020, despite a 13 percent drop in future agricultural spending, under a [deal struck by EU leaders on Friday](#).

Agriculture's budget supremacy was secured after France and other major farming nations thwarted attempts by Britain and its northern European allies to shift a greater share of EU spending towards new measures to boost growth and jobs.

As a result, farm subsidies will consume some 38 percent of the EU budget for 2014-2020, equivalent to 363 billion euros (\$485.7 billion) of the 960 billion total, or around 50 billion euros a year.

FRANCE 24's Christophe Robeet reports from Brussels

By [Christophe ROBEET](#)

That is still a significant reduction compared with the 417 billion euros earmarked for farming under the current seven-year budget, but supporters of the bloc's 50-year-old common agricultural policy (CAP) will reflect that the result could have been a lot worse.

French President Francois Hollande was quick to claim victory in the negotiations, saying that France had managed to maintain its farm subsidies while other nations saw theirs cut.

"The relative share of agricultural spending in the European budget will decrease, but I made sure to preserve the funding destined for our farmers," he told a news conference at the end of the 24-hour talks.

The EU's farm commissioner, Romanian Dacian Ciolos, said the deal confirmed the importance of Europe's farm policy for the 50 percent of EU citizens that live in rural areas.

"EU leaders have reiterated their confidence in a modernised CAP and recognised the important contribution of farming and rural areas to the EU economy," he said in a statement.

The only outright dissent came from Europe's powerful farm lobby, accustomed to seeing its subsidies protected in previous EU budget deals.

"The decision will mean a 15 percent reduction in CAP spending, threatening the employment of 40 million in the agri-food sector and millions more in rural areas," EU farm lobby Copa-Cogeca said in a statement.

Green light for reform

In 2011, Ciolos proposed an overhaul of CAP rules to coincide with the new budget period, and some of the main elements of his reform were endorsed by EU leaders as part of the budget deal.

Chief among these was a plan to make a third of the direct subsidies paid to farmers conditional on improvements in the environmental performance of agricultural production.

Ciolos has argued that what he terms as the “greening” of the CAP rules is vital to win the support of sceptical EU citizens for maintaining the bloc’s generous farm subsidies.

Conscious of the likely reduction in future farm spending, EU agriculture ministers have led efforts to water down the environmental proposals in parallel talks on the CAP reform, though politicians have yet to agree on the final result.

EU leaders also backed plans to share out farm payments more fairly across the bloc to address the disparity between producers in Italy, Belgium and the Netherlands who receive more than 400 euros per hectare on average and those in the Baltic states who get less than 150 euros per hectare.

But a proposal to limit subsidy payments to Europe’s wealthiest landowners by capping individual payments at 300,000 euros per year was weakened at the summit, with leaders saying governments should be able to choose whether to impose the limit or not.

Provided the budget deal gets the approval it needs from the European Parliament, EU politicians will push ahead to try to finalise the CAP reform during the first half of this year.

Even if they meet that ambitious deadline, officials say it will leave too little time to implement the complex changes in direct subsidy payments for the start of the new budget cycle in 2014. As a result, next year’s direct payments will be based on the existing rules but using the revised lower budget.

Preventing a Currency War

The Group of 7 industrialized countries appeared [to tamp down](#) talk of a currency war in [a statement](#) this week that said markets should determine exchange rates and that countries should use fiscal and monetary policies to achieve faster growth. It may help curb fears that stagnant economies will devalue their currencies to make their exports more affordable relative to competitors.

The statement came in response to sharp moves in currencies like the euro and the yen and calls by some Group of 7 countries like France for policies that could lead to competitive devaluations.

The yen, for instance, has fallen by about 11 percent against the dollar since the recent election in Japan of Prime Minister Shinzo Abe, who has pushed for economic stimulus and more aggressive asset purchases by the Bank of Japan to fight deflation. Critics say those policies are aimed at lowering the value of the yen, which Mr. Abe's government [has denied](#).

And last week President François Hollande of France proposed that euro-zone nations should adopt a policy to manage the value of the common currency to maintain the competitiveness of European goods. (The euro has appreciated about 2 percent against the dollar and nearly 10 percent against the yen this year.)

Such misguided thinking can lead only to chaos and retaliation. If all countries were to competitively devalue their currencies, the result would be a downward spiral that would benefit no one, but could lead to high inflation. Certainly in Europe, altering exchange rates is not the answer; reviving economies will require giving up on austerity, which is choking demand and investment.

Developing countries like Brazil and Mexico also complain that looser monetary policy in industrialized nations can produce effects similar to currency manipulation. When central banks in countries like Japan and the United States pump more money into their financial systems, investors are driven to put their money into emerging markets where interest rates are higher. That pushes up currencies like the real and peso, making exports from those countries more expensive on the world market. Instead of responding to this effect by manipulating their exchange rates, those countries could protect themselves from volatile capital flows by regulating them.

With much of Europe in a recession, Japan [struggling with deflation](#), and the weak American economy potentially falling back into a recession if the automatic spending cuts go through, the global economy is fragile. The last thing the world needs is a currency war.

Eurozone crisis: today's dismal growth figures hide future tensions between Germany and France

By [Mats Persson Economics](#) Last updated: February 14th, 2013

69,109



The euro has started the year on a relatively positive note. But today saw a [whole raft of negative stats](#) and abysmal growth figures coming out of the eurozone. This was a reminder of the bloc's greatest challenge: how to reverse the trend of slow, grinding economic decline. According to Eurostat, Q4 2012 saw the eurozone economy shrink by a massive 0.6 per cent. Germany hit the average, posting a contraction of 0.6 per cent, Italy 0.9 per cent and Portugal 1.8 per cent. Adding to the pain, the Italian statistics agency [confirmed](#) the country's growth for 2012 as a whole at -2.2 per cent – giving extra [ammunition](#) to anti-austerity parties (hello Berlusconi!) ahead of the Italian elections in two weeks.

Greek statistics agency Elstat also released its unemployment figures for November 2012, and the results are shocking: overall unemployment in Greece reached 27 per cent (far outstripping the EU/IMF/ECB troika estimate – which Open Europe [predicted](#)) and Greek youth unemployment topped a whopping 61.7 per cent. This is compared to “only” 28 per cent three years ago. The risk is that the very fabric of Greek society could start disintegrating under such sustained pressure.

Most economists expect Germany to bounce back, and the poor state of the Italian and Spanish economies isn't exactly news – while Greece is in a league of its own (though Portugal's unexpectedly large contraction is worrying). **The big question is France.** The country's contraction of 0.3 per cent looked relatively mild. But the French economy also saw zero growth in 2012 – as in literally zero growth – meaning that the French government will certainly not hit its projected growth target for 2013, and therefore also [miss its deficit target](#). “*Beinvenue au Club Med*” as today's Le Figaro front page [put it](#).

And this is where today's figures meet politics. France could well be on course to breaching the EU's various deficit rules and targets laid out for it, including those enshrined in the much-hyped “Fiscal Treaty”. Under the new, strict fiscal regime designed to avoid a repeat of the eurozone crisis, this should be tackled head on, with eventual sanctions and the whole nine yards, right? Doubtful. In [a letter to finance ministers](#), the EU's Economic and Monetary Affairs Commissioner Olli Rehn has already hinted that “If growth deteriorates unexpectedly, a country may receive extra time to correct its excessive deficit, provided it has delivered the agreed structural fiscal effort.”

Viewed from Berlin and Frankfurt (not to mention many of the smaller capitals), this sounds an awful a lot like the Stability and Growth Pact all over again – which Germany and France were themselves first to break a decade ago. As Nikolaus Blome, the chief political correspondent of Bild – the world's largest tabloid – wrote today: “Chancellor [Angela Merkel] once said that Germany is able to read every country in the EU the riot act more or less clearly with the exception of one: France. If the euro is not to plunge into a new crisis of confidence, this must change. Now.”

Therefore, in addition the wider problems, today's figures hide a world of potential tension between Berlin and Paris, as the two will be locked into a catch-22: one wants cash (‘solidarity’) first, supervision / discipline second, the other the exact opposite.

European Fiscal Compact

From Wikipedia, the free encyclopedia

69,111

The **Fiscal Compact**^{[3][4]} (formally, the **Treaty on Stability, Coordination and Governance in the Economic and Monetary Union**; also referred to as **TSCG** or more plainly the **Fiscal Stability Treaty**^[5]), is an intergovernmental treaty introduced as a new stricter version of the previous [Stability and Growth Pact](#), signed on 2 March 2012 by all [member states of the European Union](#) (EU), except the [Czech Republic](#) and the [United Kingdom](#).^[1]

The treaty entered into force on 1 January 2013 for the 16 states which completed ratification prior of this date.^[6] For subsequent ratifiers, it will enter into force on the first day of the month following the deposit of ratification instruments. Two non-eurozone member states [declared](#) their intent to be bound by the fiscal provisions in the treaty (titles III and IV) upon ratification, while for the remaining non-eurozone states these provisions will only apply from the date the state adopts the euro.^[7]

Ratifying member states are required to have enacted laws requiring their national budgets to be in balance or in surplus within the treaty's definition within one year after the Fiscal Compact enters into force for them. The laws must also provide for a self-correcting mechanism to prevent their breach. The treaty defines a balanced budget as a [general budget deficit](#) less than 3.0% of the [gross domestic product](#) (GDP), and a [structural deficit](#) of less than 1.0% of GDP if the debt level is below 60% -or else it shall be below 0.5% of GDP. The treaty also contains a direct copy of the "debt brake" criteria as outlined by the Stability and Growth Pact, where it is defined at which rate debt-to-GDP levels above 60% of GDP should decrease to a level below that limit.^[8]

If the annual account or budget for any ratifying state is found not to comply with the deficit/debt criteria, the country will have to correct the issue within the timeline, nature and targeted size deemed necessary, as prescribed by the "common principles" published by the [European Commission](#) in June 2012.^[9] For states being found to breach the debt/deficit limits at the time when the treaty enters into force, a compliance with the criteria will still be evaluated as being reached, for as long as the state subsequently deliver gradual improvements at a size big enough to stay on a country specific predefined "adjustment path" - towards respecting the limits at a midterm horizon.^[7]