

Italian politics

After the party

No clear end is in sight to Italy's electoral stalemate

Mar 9th 2013 | ROME | [From the print edition](#)

72,1

ONE after another, ways out of the impasse created by Italy's indecisive election are being blocked. Only two have not been rejected out of hand: a fresh election; or a government of novices from the Five Star Movement (M5S), whose spokesman, Beppe Grillo, an ex-comedian, wants a referendum on leaving the euro and a restructuring of Italy's public debt. **Without a breakthrough, it seems a matter of time before investors lose their nerve.**

The election gave a majority in the lower house of parliament to a centre-left alliance led by Pier Luigi Bersani. But in the Senate the centre-left fell short, and the M5S now holds the balance of power between Mr Bersani's group and a conservative alliance fronted by Silvio Berlusconi. That appears to leave other possibilities open. **The first to be rejected was a "grand coalition" of left and right. Mr Bersani ruled this out because a deal with the scandal-ridden Mr Berlusconi would be electoral suicide.** On March 7th Mr Berlusconi was sentenced to a year's jail for publicising a wiretapped phone call (he can appeal against the decision). The centre-left proposed a link with the M5S. But Mr Grillo slammed the door on this and accused Mr Bersani of trying to poach M5S lawmakers.

Mr Grillo's rejection did not kill the idea of another technocratic government like the outgoing one led by Mario Monti. Although one of the M5S's central aims is the creation of a new web-based democracy, the movement's co-founder, Gianroberto Casaleggio, seemed to leave open the door to a non-party government. **That would hardly be a triumph for Italian democracy, after Mr Monti's technocratic cabinet, and it would be awkward for Mr Berlusconi, who precipitated the election by withdrawing support for Mr Monti.** But on March 5th Mr Grillo shot down even this solution on his blog, these days Italy's most important source of political news.

A day later Mr Bersani told the leadership of his Democratic Party (PD) that he was determined to press ahead **with forming a minority government.** It would be based **on a programme of eight points, led by a pledge to turn Italy into the chief advocate of a new policy in the euro zone intended to free its members from "the cage of austerity"**. If, as seems likely, this project fails, Mr Bersani may be forced to stand down in favour of the man who challenged him for the PD leadership last year: Matteo Renzi, the young and more moderate mayor of Florence. Mr Renzi might not be quite so averse to a partnership with Mr Berlusconi. But his real merit for the PD is that he would be more likely than Mr Bersani to secure an outright majority if a fresh election were held.

Although parliament is due to reconvene on March 15th Italy's **political stalemate shows no sign of coming to an end. Even more worrying, nothing points to the formation of a government able and willing to push through the reforms Italy needs if its economy is to start growing again.**

Pas de panique, l'Europe n'est pas à l'agonie !

LE MONDE | 06.03.2013 à 14h56 • Mis à jour le 08.03.2013 à 06h19 Par Philippe Ricard (lettre d'Europe) 72,2



Ils sont peu connus, mais entendent bien [jouer](#) les trublions dans une Allemagne lassée par les soubresauts de l'union monétaire. D'ici aux prochaines élections législatives de septembre 2013, les fondateurs du parti anti-euro Alternative pour l'[Allemagne](#) vont [tenter](#) de [faire entendre](#) leur petite musique face à Angela Merkel et à son rival [social](#)-démocrate, [Peer Steinbrück](#).

"*Pour que l'[Europe](#) n'échoue pas sur l'euro*", tel est l'intitulé de leur première réunion publique, le 11 mars. A l'instar d'Hans-Olaf Henkel, l'ancien patron des patrons allemands, ces déçus de la monnaie unique n'ont pas encore digéré les plans d'[aide](#) montés dans l'urgence pour [renflouer](#) – en contravention avec les traités européens, selon eux – la [Grèce](#), puis l'[Irlande](#), le [Portugal](#) et les banques espagnoles. Sans [oublier](#) le prochain sur la liste, [Chypre](#), et ses banques soupçonnées de [blanchir](#) de l'argent russe et "sale".

En Allemagne, comme ailleurs, il faudrait se [rendre](#) à l'évidence : trois ans de crise de la zone euro ont laminé l'idée européenne et fait [douter](#) de sa réalité la plus concrète : la monnaie unique. La défiance envers le projet, comme envers des responsables européens souvent inconnus ou des institutions bruxelloises jugées peu légitimes, atteint des sommets, et pas seulement au [Royaume-Uni](#). En France, [Marine Le Pen](#) demande un référendum sur la sortie de l'[Union européenne](#). Partout, les partis eurosceptiques ébranlent l'"establishment" pro-européen.

"IL PROFESSORE"

D'[Angela Merkel](#) à [François Hollande](#), tous les dirigeants européens marchent sur des oeufs dès qu'ils s'aventurent sur ce terrain glissant, comme étourdis par les vapeurs de soufre émanant de Bruxelles. Mario Monti, le président du conseil italien, est bien placé pour en [parler](#) : "Il Professore", ancien commissaire européen, a été renvoyé à ses conférences, pour [avoir](#) sous-estimé le rejet qu'inspirent sa personne et la [politique](#) d'austérité qu'elle incarne auprès des électeurs italiens.

Même les commentateurs les plus avertis seraient soudain pris d'un sursaut de lucidité : l'union monétaire et l'Europe avec elle virent au cauchemar, admettent-ils parfois, quitte à [sembler](#) renier ce qu'ils ont tant aimé.

Sans [verser](#) dans l'angélisme, qu'il soit permis de [mettre](#) en doute la mort annoncée de l'idée européenne. Après trois ans de convulsions, un constat s'impose au contraire : l'euro n'est pas (encore) enterré, alors que le tsunami déclenché par le séisme grec au printemps 2010 aurait pu [emporter](#) avec lui la monnaie unique.

Au contraire, les Européens redécouvrent chaque jour qu'ils n'ont un destin qu'ensemble. Sous cet angle, il n'est pas si choquant, après soixante-dix ans de paix, d'émigrer en Allemagne, à 20 ou 30 ans, quand on a perdu l'espoir de [trouver](#) un [emploi](#) dans son propre pays.

Euro ou pas, des générations d'Européens n'ont eu d'autre choix, dans un passé pas si lointain, pour échapper au chômage massif, aux dictatures ou aux persécutions.

SE [SERRER](#) LES COUDES

Aujourd'hui, au fil de la crise des dettes, les Européens ont su [trouver](#) les ressources financières, et surtout le ressort politique, pour se [serrer](#) les coudes. Après [avoir](#) tergiversé, l'Allemagne elle-même s'est décidée, avec la France, à tout [faire](#) pour [sauver](#) l'euro. Un message amplifié par la Banque centrale européenne (BCE) et son président Mario Draghi, au point d'[offrir](#) un répit relatif à l'union monétaire depuis l'été 2012.

Comme un coup de semonce – le second après les élections grecques de 2012 –, le scrutin italien fait [trembler](#) le fragile édifice. Mais il ne doit pas être surinterprété et porté au seul débit de l'Europe.

Si [Beppe Grillo](#) et [Silvio Berlusconi](#) ont beaucoup tiré sur l'ambulance bruxelloise et la monnaie unique, les électeurs italiens s'en sont pris, avant tout, à la partitocratie italienne, et au tout-austérité prôné par Angela Merkel. Pour [desserrer](#) l'étau, Mario Monti lui-même n'a cessé, pendant ses seize mois au [pouvoir](#), de [mettre](#) en garde la chancellerie contre le populisme, avant de [surestimer](#) ses propres forces électorales.

Certes, la cure d'austérité imposée par Angela Merkel, en échange d'une solidarité inédite envers les Etats en faillite, a mis à terre la croissance européenne. L'ajustement imposé aux économies du Sud implique de lourds sacrifices. Il prive d'emploi des millions de personnes, au point d'[enflammer](#) les joutes politiques dans chaque capitale.

Le sentiment antiallemand atteint des sommets et ne risque pas d'en [descendre](#), quand des dirigeants de premier plan, comme Peer Steinbrück, dénoncent avec arrogance les "*clowns*" de la scène politique italienne en pointant du doigt Berlusconi et Grillo.

Mais de là à [caricaturer](#) l'union monétaire ! Cette dernière a le plus grand mal à [surmonter](#) la crise apparue en Grèce, mais n'est-elle pas en train de [sortir](#) du grand malentendu qui l'entravait depuis le traité de Maastricht ? Un traité dont toutes les zones d'ombre et les tabous sont progressivement revisités depuis trois ans.

DROIT DE REGARD TRÈS INTRUSIF

Désormais, il est possible de [voler](#) au secours d'un Etat en faillite. Même la BCE est prête à [jouer](#) le jeu, bien au-delà des limites apparentes de son mandat anti-inflation. En échange, les bailleurs de fonds, Allemagne en tête, ont exigé d'[avoir](#) un droit de regard très intrusif sur les politiques des pays aidés. Et la discipline collective a été renforcée comme jamais.

Des pays de milieu de tableau, comme la France, ne peuvent désormais plus échapper à ce gouvernement économique de la zone euro qui émerge, dans l'urgence, des décombres de la crise.

Enfin, on assiste, en dépit de l'agitation des extrêmes, à la discrète renaissance des [idées](#) fédérales, que l'on croyait – pour le coup – mortes avec l'échec de la Constitution en 2005, et les "non" français et néerlandais. En fait, de nombreux dirigeants européens savent très bien, en leur for intérieur, ce qu'il serait nécessaire de [faire](#) pour [tourner](#) la page de la crise : [mutualiser](#) les dettes et [placer](#) les politiques nationales sous surveillance encore plus étroite des instances européennes, en confortant leur légitimité.

Bref, [organiser](#) un transfert de souveraineté, en complément d'une union de [transferts](#) financiers. Voilà de quoi [donner](#) du grain à [moudre](#) aux partisans comme aux détracteurs de l'euro.

Philippe Ricard (lettre d'Europe)

The ECB's Press Corps Realize They Have No Idea What OMT Is: "The Rules Are What They Are" Explains Draghi

Submitted by [Tyler Durden](#) on 03/07/2013 12:06 -0500

VIDEO

72,4

It took six months of humiliatingly empty rhetoric and bluster, before Europe's press corps, or rather just the [FT's Michael Steen](#), finally asked perhaps *the one most important question* regarding the OMT, which does *not* stand for On Merkel's Tab, but rather "Outright Monetary Transactions" (full [Draghi definition here](#)) and is the magic "open-ended" bond-buying bullet and SMP replacement that has stabilized Europe: namely "**what is it?**" That it took so long for reporters, and by implication, the markets to actually point out that the emperor is indeed naked and inquire into the legal working of the ECB's *deus ex machina* is a testament to just what lengths the broader public has been zombified into believing that "*the less you know, the better*" historically, one of the KGB's better known slogans.

The exchange which begins at 46'50" in the clip below has to be seen to be believed because it confirms what we have said all along: the ECB is hoping and praying it **never has to use the EMT**, because at that point Draghi's excuse that the OMT is like porn and one just needs to see it to recognize it, will be woefully insufficient to preserve the insolvent Eurozone.

The exchange follows [this earlier statement](#) by Bernanke:

Draghi: On OMT, I mean the rules of OMT are what they are. So we will see, and it is not in our capacity. The ball is entirely with the governments; I have seen this on and on and on. OMT remains, is in place. It is a very effective backstop, and it is there. **But you know the rules.**"

Which leads into this:

Steen: Mr. Draghi, you just said that we know the rules on OMT. **I don't think I am alone in saying actually that I don't think we do. The only thing I am aware of that you published a 440-ish word statement that you sent out to us in September, and other than that it feels like we've pieced it together.** So would you consider giving us at some point a written point by point this is how it works, this is what a country must do, or is this a deliberate policy to keep it a little bit vague.

Draghi: I am not sure I understand your question. I think by now, and in fact you stopped asking questions about how the OMT works because you understood how it works. I mean we've gone through all the conditions that would make a country eligible for OMT, and we said that this would be a necessary but not sufficient condition for the ECB to step in, and we listed the conditions. **If you are referring to the legal documentation, that's another thing, we are still working on it, and it's coming out but that's it.** The OMT had never been created to support countries in their access to market; OMT was meant as an effective backstop to remove the tailrisk from the Euroarea.

And there you have it: Mario Draghi just described Europe's naked Atlas, who is supposed to backstop trillions of sovereign debt on his imaginary shoulders *without even one legal term sheet in existence, and without any formalized set of rules in place*. Just the mere promise that no matter what happens, the ECB will step in and bail anyone out, no questions asked, and with absolutely no actual framework for implementation.

Remember: the rules are what they are. And according to the surgeon general questioning the rules in insolvent Europe is hazardous for your health.

The Eurozone Crisis and Europe's Persistent 'No-Demos Problem'

Posted on [January 31, 2012](#)

72,5



[Prof. Peter Lindseth](#)

As usual, things are moving so quickly in the Eurozone crisis that pressing controversies one day seemingly become old news the next. In the lead up to this week's EU summit, for example, Germany caused a stir by calling for the appointment of an external commissioner with the power to veto the Greek budget because of Greece's inability to meet its budgetary commitments. We'll see where that leads, but outrage in Athens was the predictable result. The Greek finance minister [reportedly said](#): 'Whoever puts before a people the dilemma of choosing between financial assistance and national dignity disregards basic historical lessons'. In the overheated world of contemporary Eurozone commentary, one observer called the proposal '[Anschluss economics](#)'.

But as readers of this blog well know, Germany has its own worries about the Eurozone crisis and what it portends for that country's own historically hard-won democracy. These worries arguably animate, for example, the recent jurisprudence of the German Federal Constitutional Court, as [some of my earlier posts](#) have outlined. From the German perspective, recourse to Eurobonds as a means of addressing the crisis (in which other member states might add to Germany's debt obligations without a vote of the national parliament) would almost certainly be seen by the Court as a violation of the Bundestag's historical control over the national purse, and therefore also an affront to the democratic identity of the German constitution.

These two contrasting (Greek and German) expressions of concern over the fate of national democracy in the face of the current crisis, however, are suggestive of a deeper challenge for European integration. I am referring not merely to the Eurozone's seeming lack of financial solidarity among its member states—that, in fact, is merely a symptom. Rather, I am speaking of the notorious lack of a coherent 'demos' for the EU as a whole—what we academics have long called the 'no-demos problem'.

This label refers to Europe's failure (as yet) to develop a fully autonomous and strongly-legitimated supranational identity akin to a national identity, one capable of sustaining the sort of supranational solidarity and mutual financial discipline that the current debt crisis may well demand. The polity to which integration currently corresponds—'Europe'—does not (as yet) understand itself as sufficiently cohesive to legitimize the EU in a recognizably 'democratic' and 'constitutional' sense. As Joschka Fischer put it in [his famous Berlin speech](#) in May 2000 on Europe's constitutional future, European governance has long been understood, not without cause, as a largely 'bureaucratic affair run by a faceless, soulless Eurocracy in Brussels'. This lack of autonomous democratic legitimacy is now making itself felt in the Eurozone crisis.

A European demos need not define itself in linguistic, religious, ethnic, racial or any other purportedly 'organic' or 'pre-political' terms—that would be dangerous and unacceptable. But, for better or worse, a European demos must still define itself historically. This species of historical legitimacy builds on more than merely legal and technocratic foundations—indeed, on more than what Max Weber [called](#) 'the directly economic disposition of goods and services'. Rather, it must be grounded in what Weber described as a 'particular pathos' and 'enduring emotional foundations' derived from a history of 'common political struggle'.

The devastating legacy of extreme nationalism, war, and genocide in Europe in the first half of the twentieth century did much to propel the integration process forward in the second half. But that devastating experience, along with the seeming benefits of the integration process itself (its so-called ‘[output legitimacy](#)’), have proven insufficient to create a sense of an autonomous European demos capable of self-rule through supranational institutions ‘constituted’ for this purpose. Hence the limitations on supranational solidarity that one now senses in the Eurozone crisis.

Even as many aspects of governance have, over the last half-century, been otherwise denationalized, indeed ‘Europeanized’, the same has not occurred in the realm of political culture, at least not to the same extent. Europe continues to suffer from [a disconnect](#) between the scope of its (actual or needed) supranational power, and the scope of its autonomous supranational legitimacy. In the realm of political culture, the institutions of representative government within the nation-state have thus retained their central role in terms of democratic and constitutional identity, as both the Greek and German perceptions of the current crisis seem to suggest.

All this points to the fact that, like any form of essentially delegated governance (akin, say, to delegation to an administrative agency on the national level), supranational governance in the EU or the Eurozone is legitimate for certain purposes but not others—unless Europeans are prepared to change fundamentally their understanding of what democratic self-government means, or where it is located. The recent examples from both Greece and Germany suggest an ongoing and potentially deep resistance to full-blown integration, even as both countries are acutely aware that the current crisis almost certainly demands ‘[more Europe](#)’.

Whenever we talk about the legitimacy of integration in whatever form, we must always ask the question ‘legitimate for what?’ It is one thing for a member state to delegate authority to a supranational process to harmonize regulatory standards in various domains (important a task though that may be). It is quite another to denationalize the power over the national purse in an indeterminate way, as a means of saving a common currency whose initial design and implementation may well have been [so flawed](#).

As the Italian political scientist Stefano Bartolini [presciently warned](#) in 2005 (that is, well before the onset of the current crisis), ‘the risk of miscalculating the extent to which true legitimacy surrounds the European institutions and their decisions . . . may lead to the overestimating of the capacity of the EU to overcome major economic and security crises’. Unfortunately, the Eurozone crisis is, sadly, proving to be a case in point. Monetary union depended implicitly on the capacity of supranational bodies (most importantly the ECB, but also national governments collectively) to undertake certain policy steps that they simply lacked the autonomous legitimacy to take. Resistance, foot-dragging, and push-back are the inevitable result. The ‘no-demos problem’ is thus not merely an object of academic debate. Rather it has real bite, and it may still impede the resolution of the crisis.

To resolve the current crisis, it is becoming increasingly likely that significant sacrifices in terms of traditional understandings of constitutional democracy on the national level may well be required. The resolution of the crisis will, in other words, require more than merely economic or financial concessions. Rather, it may also ultimately require deep and possibly painful political-cultural adjustments in prevailing understandings of democratic self-rule.

These adjustments may demand, in the end (at least for many Europeans), several steps further in the integration process than they are currently willing to go, precisely because of the lack of a common European demos. Then the Euro will fail. Or—and this too is possible—the need to retain the common currency, one which perhaps should never have been established in the first place but whose dismantling now is too costly and unpredictable to contemplate, may ultimately control the outcome. But one can only guess how enduring the regime that emerges from such functional demands will be. We must simply wait and see.

Germany's New Anti-Euro Party

03/08/2013

72,7

| By [Charles Hawley](#)

Anti-euro political parties in Europe in recent years have so far tended to be either well to the right of center or, as evidenced by the recent vote in Italy, anything but staid. But in Germany, change may be afoot. A new party is forming this spring, intent on abandoning European efforts to prop up the common currency. And its founders are a collection of some of the country's top economists and academics.

Named Alternative für Deutschland (Alternative for Germany), the group has a clear goal: "the dissolution of the euro in favor of national currencies or smaller currency unions." The party also demands an end to aid payments and the dismantling of the European Stability Mechanism bailout fund.

"Democracy is eroding," reads a statement on its website ([German only](#)). "The will of the people regarding (decisions relating to the euro) is never queried and is not represented in parliament. The government is depriving voters of a voice through disinformation, is pressuring constitutional organs, like parliament and the Constitutional Court, and is making far-reaching decisions in committees that have no democratic legitimacy."

The sentiment, of course, is hardly new. [Euro-skeptics are everywhere](#) these days, particularly in those southern European countries that have been hit hardest by the crisis that continues to plague the common currency. And even in mainstream parties, concerns about the path on which the EU currently finds itself are common. But in Germany, as elsewhere in northern Europe, the most vocal critique of the euro has tended to come from right-wing populist parties.

Prominent Supporters

Alternative for Germany appears to be different, though it has yet to produce a party manifesto. Its impressive list of prominent supporters includes a large number of conservative and economically liberal university professors. The most notable name on the list is Hans-Olaf Henkel, the former president of the Federation of German Industries, but it also includes such [economists as Joachim Starbatty](#) and Wilhelm Hankel, who were part of the group that challenged Greek bailout aid at Germany's Constitutional Court.

Main initiator Bernd Lucke, a professor of macro-economics from Hamburg, was a member of Chancellor Angela Merkel's Christian Democrats for 33 years before leaving the party in 2011 as a result of euro bailout efforts. "The current, so-called rescue policies are exclusively focused on short-term interests, primarily those of the banks," Lucke told the *Frankfurter Allgemeine Zeitung* this week.

Alternative for Germany has not yet formally become a political party, though it reportedly plans to do so in the middle of April. Even then, however, it is not yet certain that the party will be able to collect the requisite number of signatures in time to be included on the ballot in general elections this autumn -- a minimum of 2,000 in each of Germany's 16 states or 0.1 percent of each state's population, whichever is lower. "We will make that decision based on the support we receive," Lucke told the *FAZ*. "But we have been overwhelmed by the public's reaction thus far."

A Political Home

Even if the party does get on the ballot, it remains unclear whether it will attract significant support. So far, it remains a single-issue party -- and even on that single issue there is a lack of clear consensus on exactly how to proceed.

Still, with concern in Germany growing that the country has become the de-facto paymaster for the rest of the euro zone, Alternative for Germany could attract a fair number of protest votes from frustrated conservatives. Judging by the increasing difficulty Merkel has faced in pushing euro bailout packages through parliament in Berlin over the last 15 months, the level of frustration on the center-right could be growing. Indeed, Lucke has said that he is in touch with a handful of euro-skeptic parliamentarians from the Free Democrats, Merkel's business-friendly junior coalition partner.

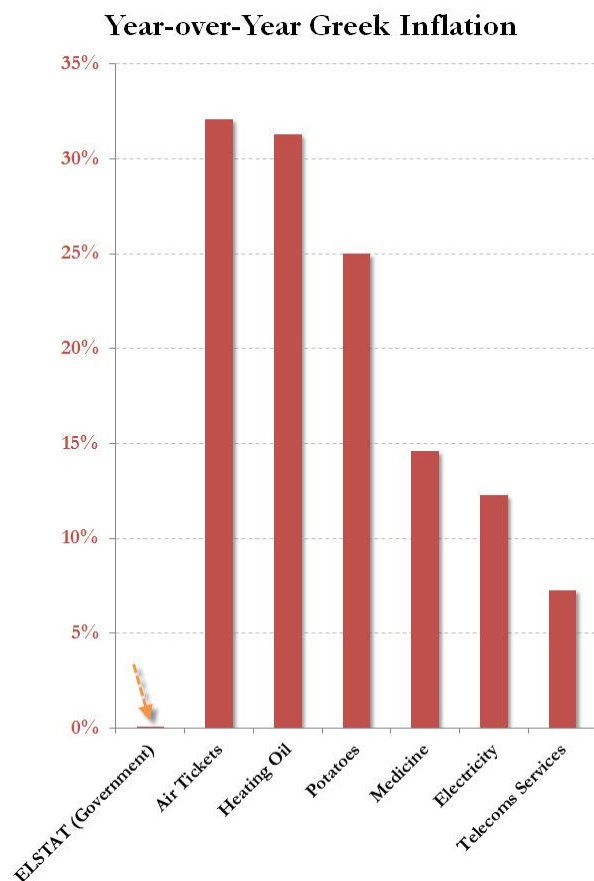
Ultimately, however, the party's success will likely have more to do with the state of the common currency as the election approaches. [Should the crisis flare up](#), so too could anti-euro sentiment. That sentiment in Germany now has a political home.

Friday Humor: Greek "Inflation"

Submitted by [Tyler Durden](#) on 03/08/2013 12:55 -0500

72,9

According to the Hellenic Statistical Authority (ELSTAT), **Greek inflation eased in January to +0.1% - its lowest in 45 years**. However, as [ekathimerini notes](#), the prices for certain goods (like food, energy, phones, medicine) rose just a little more than that, leaving us with a simple question: 'what's Greek for hedonics?'



Average:

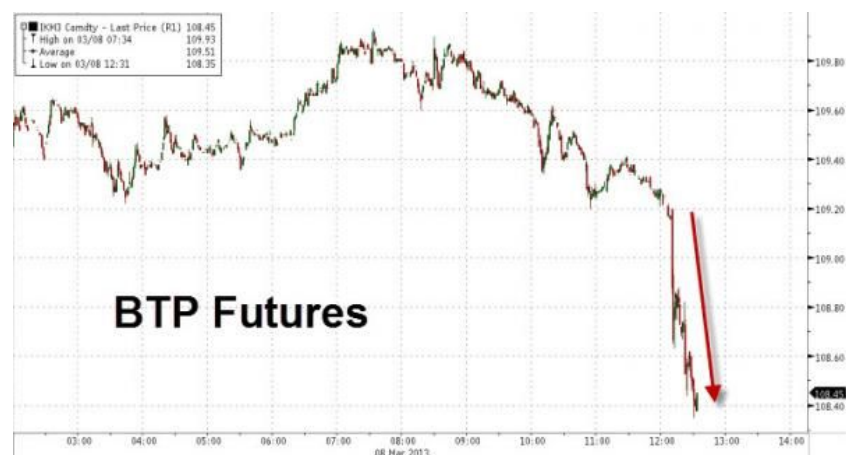
Fitchslapped: Italy Downgraded To BBB+ (Outlook Negative)

Submitted by [Tyler Durden](#) on 03/08/2013 12:19 -0500

72,10

The France-based ratings agency has just joined China's Dagong, and US Moody's by Fitch-slapping Italy with a BBB ratings handle. Citing four main reasons: election results which are 'non-conducive' for further structural reforms, deeper than expected recession, greater than expected budget deficits, and a weak government less able to respond to shocks. But apart from all that, [as we noted earlier](#), Italian stocks and bonds are bid.

BTP Futures not happy...



Via Fitch:

FITCH DOWNGRADES ITALY TO 'BBB+'; OUTLOOK NEGATIVE

Fitch Ratings-London-08 March 2013: Fitch Ratings has downgraded Italy's Long-term foreign and local currency Issuer Default Ratings (IDR) to 'BBB+' from 'A-'. The Outlook on the Long-term IDRs is Negative. Fitch has simultaneously affirmed the Short-term foreign currency IDR at 'F2' and the common eurozone Country Ceiling for Italy at 'AAA'.

KEY RATING DRIVERS

The downgrade of Italy's sovereign ratings reflects the following key rating factors:

- The **inconclusive results of the Italian parliamentary elections** on 24-25 February make it unlikely that a stable new government can be formed in the next few weeks. The increased political uncertainty and **non-conducive backdrop for further structural reform** measures constitute a further adverse shock to the real economy amidst the deep recession.
- **Q412 data confirms that the ongoing recession in Italy is one of the deepest in Europe.** The unfavourable starting position and some recent developments, like the unexpected fall in employment and persistently weak sentiment indicators, increase the risk of a more protracted and deeper recession than previously expected. Fitch expects a GDP contraction of 1.8% in 2013, due largely to the carry-over from the 2.4% contraction in 2012.
- **Due to the deeper recession and its adverse impact on headline budget deficit**, the gross general government debt (GGGD) will peak in 2013 at close to 130% of GDP compared with Fitch's estimate of 125% in mid-2012, even assuming an unchanged underlying fiscal stance.
- **A weak government could be slower and less able to respond to domestic or external economic shocks.**

The 'BBB+' rating reflects:

- The rating remains supported by the relatively wealthy, high value-added and diverse economy with moderate levels of private sector indebtedness.

- Italy has progressed substantially over the past two years with fiscal consolidation. Public sector deficit was 3% of GDP in 2012, a result of 2.3pp fiscal consolidation in structural terms, according to the recent estimate of the European Commission.

- The fiscal measures already adopted should be sufficient to deliver a further narrowing of the budget deficit in 2013 despite the continuing recession. Fitch expects the deficit in 2013 to be around 2.5% of GDP. In structural terms, this would be close to the constitutional requirement of a balanced budget.

- Low contingent fiscal risks from the banking sector; an underlying budgetary position close to that necessary to stabilise the government debt to GDP ratio; and sustainable pension system underpins confidence in the long-term solvency of the Italian state.

- The Italian sovereign has demonstrated its financing flexibility and resilience during the crisis reflecting a strong domestic investor base and average duration of 4.74 years.

RATING SENSITIVITIES

The Negative Outlook reflects the following risk factors that may, individually or collectively, result in a downgrade of the ratings:

- Deeper and longer recession than currently forecast by Fitch that undermines the fiscal consolidation effort and increases contingent risks from the financial sector.

- Economic and fiscal outturns that reduce confidence that GGGD will be placed on a firm downward path from 2014, after peaking in 2013.

- Sustained deterioration in fiscal funding conditions with adverse implications for financial conditions for the private sector and public debt dynamics.

- Re-intensification of the eurozone crisis could lead to a direct increase in GGGD through contingent liabilities due to additional EFSF/ESM commitments and could further weaken the economy through a fall in external demand, weaker confidence and tighter credit conditions.

- Prolonged uncertainty over economic and fiscal policies, failure to comply with the constitutional requirement of balanced budget.

The current Outlook is Negative. Consequently, Fitch's sensitivity analysis does not currently anticipate developments with a material likelihood, individually or collectively, of leading to an upgrade. However, future developments that may, individually or collectively, lead to a revision of the Outlook to Stable include:

- Sustained economic recovery that supports ongoing fiscal consolidation.

- Confidence that the public debt to GDP ratio is on a firm downward path.

- Further structural reforms that enhance the competitiveness and growth potential of the Italian economy.

Financing conditions have been relatively benign in recent months. The potential backstop of external support from the ESM and ECB reduces the tail risk of a sovereign liquidity crisis for Italy and is supportive of the rating. While it remains uncertain under what conditions Italy would apply for official assistance, the request itself would be neutral for the rating.

KEY ASSUMPTIONS

The rating incorporates Fitch's assumption that the medium-term fiscal trajectory and commitments made by Italy under the Stability and Growth Pact and implied by the constitutional balanced budget amendments will be sustained by any new government.

Fitch assumes that Italy will start recovering in H213 from its deep recession as the large shocks causing the current recession (fiscal consolidation, tight financing conditions, and weak external demand) gradually fade away.

Fitch assumes that the contingent liabilities from the banking sector for the Italian government are limited. Nonetheless, if the recession is deeper and longer than currently anticipated, the risk that the government may be required to make further injections of capital, beyond the Monte dei Paschi recapitalisation, cannot be discounted.

Fitch maintains its assumption that medium-term potential growth is 1% even in light of structural reforms adopted over the last two years.

The current rating reflects Fitch's judgement that Italy will retain market access and, if needed, EU intervention would be requested and provided to avoid unnecessary strains on sovereign liquidity.

Furthermore, Fitch assumes there will be progress in deepening fiscal and financial integration at the eurozone level in line with commitments by euro area policy makers. It also assumes that the risk of fragmentation of the eurozone remains low.

Kafka at the ECB

[David Keohane](#) | Mar 08 12:41 | [10 comments](#) | [Share](#)

72,12

[M.](#) found himself waiting for Draghi surrounded by fellow journalists. He passed on a short piece of the conversation (we've protected the [imaginary sources](#), naturally):

But we do often speak about [the OMT](#), which I've never seen; you know D. doesn't like me and never let me look at it, still its appearance is well known in the ECB, some people have seen it, everybody has heard of it, and out of glimpses and rumours and through various distorting factors an image of the OMT has been constructed which is certainly true in fundamentals. But only in fundamentals. In detail it fluctuates, and yet perhaps not so much as the OMT's reality. For it's reported as having one reality when it comes into the ECB and another leaving it... and even within the ECB there are considerable differences in the accounts given of it... Now of course all these differences aren't the result of magic, but can be easily explained; they depend on the mood of the observer, on the degree of his excitement, on the countless graduations of hope or despair which are possible for him when he sees the OMT, and besides, he can usually see the OMT only for a second or two.

M. recognised the truth of this and attempted to confront the OMT's chief secretary. That confrontation can be seen [here at 46mins](#).

And from the transcript:

Question: Mr Draghi, you have just said that we know the rules on OMTs. I do not think I am alone in saying that, actually, I do not think we do. The only thing you have published that I am aware of is an approximately 440-word statement that you read out to us in September; other than that it feels a bit like we are slowly piecing together the picture. Would you consider giving us, at some point, a full, written, point-by-point document stating how it works, what a country must do, etc., or is this a deliberate policy to keep it a little bit vague?

Draghi: I am not sure I understand your question. I think, by now, that you have in fact stopped asking questions about how the OMT works because you understand how it works. We have gone through all the conditions that would make a country eligible for OMTs and we have said that this would be a necessary, but not a sufficient, condition for the ECB to step in. We listed the conditions, we specified the role of the European Stability Mechanism, the International Monetary Fund, and so on and so forth. I do not want to go through all of this again and again. If you are referring to the legal documentation, that is a different matter. We are still working on this. It is coming out, but that is it in terms of information on how it works.

Question: I think I have a broad understanding but for example...

Draghi: Broad? I am surprised it is still so broad.

Question: For example, on the question of whether a country can use it when it is returning to the bond markets or not – I would have to go back and check your exact words – but, at one point, it sounded like it was valid for countries that were returning to the markets. But you said just now that actually it is not something that should be used to enhance a return to the market.

Draghi: Exactly. Countries should be in the market under their own steam. To be in the market, I think I clarified what we mean: being able to issue along the yield curve, being able to issue to a fairly broad category of investors, and being able to issue certain quantities. The OMT has never been considered, or created, to support countries in their return to the market. OMT was meant as an effective back-stop that will remove, and has removed, the tail risks from the euro area.

[Here's](#) the 440ish word brief that M. was referring to and Draghi's answer mirrors what has been heard before.

But it is still vague and begs [obvious questions](#): what does this mean for a country which lacks a government to make a bailout request and accept the necessary conditions? (Although Capital Economics' Jonathan Loynes made the very good point that the OMT's ambiguity might have actually benefited Italy.) How precisely does a programme country gain access? How would the OMT work once activated? What would be targeted? Presumably, the ECB would target the yield spread as it targets risk premia but we don't actually know and it seems likely the ECB would change its target as needed anyway. And finally, the conditions attached to any programme remain understandably up in the air (or gun to own head, as you wish).

Thing is, this kind of confusion makes sense.

Why kill wiggle room before you have to? As M. suggests, the policy appears to be one of vagueness. The OMT is proving an effective backstop and although it has yet to be tested, a level of default risk has clearly been removed from the eurozone. The ECB has established a lender of last resort dynamic and it is maybe hoping for too much for that function to be precisely delineated. Heck, the OMT would probably be quite an indelicate sledgehammer if actually used.

So, while there is an element of the emperor *might* have no clothes here, it seems more like the emperor is wearing a seductive outfit meant to keep everyone guessing at the bounty beneath. It's what someone we know referred to as a case of "constructive ambiguity". Why draw lines which can then be tested or might become useless in particular situations? However, there is an argument that the market will eventually need to see some skin. The process can stay vague only if it is used at some point.

Now we obviously can't finish this post just yet, since we envisage a final scene to this drama where M., lying in bed, receives partial satisfaction at last. He was unable to relax in his struggle to unearth the real nature of the OMT and was eventually worn out by it, but with his last breath the legal documentation is passed into his hands.

Lagarde Calls for Euro-Zone Action

By [EAMON QUINN](#) And [PAUL HANNON](#)



Agence France-Presse/Getty Images

Christine Lagarde, head of the International Monetary Fund, delivered a keynote address on Ireland and the European Union in Dublin Castle, Ireland, on Friday.

DUBLIN—The head of the International Monetary Fund said on Friday the European Central Bank should consider a further cut in its key interest rate, a day after its president played down the possibility of taking further steps to revive the euro-zone economy.

In a speech in Dublin, [Christine Lagarde](#) also suggested the ECB could also help Ireland and Portugal return to the international bond markets when their bailout loans have been disbursed, and called for action to boost demand in Germany.

Policy makers are unlikely to act immediately on her advice, but her comments come at a time when the euro zone's reliance on austerity as its main response to its fiscal crisis is increasingly being questioned, not least because Italian voters rejected parties committed to that strategy.

Ms. Lagarde said the euro zone had "come a long way since last summer" and "financial anxieties have eased to some extent."

But she added that the improvement in investor sentiment hasn't yet been translated into euro-zone economy.

"This improving sentiment is not translating into higher jobs or incomes," she said. "It might be helping markets, but it is not helping people."

The ECB on Thursday said it expects the euro-zone economy to contract again this year, a view shared by Ms. Lagarde.

"What does this mean in practice?" she said. "It means that monetary policy should remain accommodative, and we believe that there is still some limited room for the ECB to cut rates further."

The ECB on Thursday kept its main refinancing rate, the rate at which it lends to banks in weekly loans, at a record low of 0.75% for the eighth consecutive month.

Ms. Lagarde also said the ECB's new and still-untested program of bond purchases, known as Outright Monetary Transactions, could help reduce borrowing costs for governments "facing severe market constraints,"

and suggested it could also be used to ease the return of the Irish and Portuguese governments to the bond markets when their bailout loan programs end.

"We also think that when program countries are on the right track, they should receive support to help them regain market access and reduce dependence on official assistance," she said.

Speaking on Thursday, ECB President [Mario Draghi](#) said the OMT program should only be activated in support of governments that already have access to the bond markets.

"The OMT has never been considered, or created, to support countries in their return to the market," he said.

Figures released on Wednesday showed the euro-zone economy contracted for the fifth successive quarter in the three months to December 2012, a decline in output as long lasting—if not as deep—as that recorded in late 2008 and 2009.

The austerity programs pursued by governments either trying to regain or retain access to the bond markets have resulted in a decline in domestic demand, with consumers and businesses cutting their spending.

In her speech, Ms. Lagarde said the impact of austerity in Southern Europe could be offset by a boost to demand in Northern Europe, particularly in Germany, albeit at the price of higher inflation.

"When we talk about demand, we must understand that it is unbalanced across Europe—much stronger in the north than in the south," she said. "Restoring a sense of balance means lower inflation and wage growth in the south, but it also might mean allowing somewhat higher inflation and wage growth in countries like Germany. This too is an aspect of pan-European solidarity."

That advice is likely to be received skeptically in Germany, which regards the setting of wages as a market-driven process.

Asked if she was making progress in bringing German Chancellor Angela Merkel around to the view that Europe needs to do more to boost economic growth, Ms. Lagarde said she wouldn't balk at continuing to speak "in the interests of all, [that] a more balanced model is desirable, and I will not renege on that and I will continue to say so."

Ms. Lagarde said that without further reforms to the way economies function, any boost to demand might not produce a sustained recovery.

"We need to make sure that any spark to demand fuels sustained growth," she said. "This means reforms to boost the supply capacity of the economy. The IMF has done some interesting work here. We found that large-scale product market, labor and pension reforms across Europe could boost the level of output by 4.5% over five years."

Ms. Lagarde also urged euro-zone governments to press ahead with plans to establish a single supervisor for its banks, and take further steps to ensure that troubled banks "become the responsibility of all, not just one."

"The single supervisor on its own is not enough," she said. "It needs a single resolution authority that can restructure or shut down problem banks in a timely manner at least cost—including by sharing the burden with the private sector. It needs a common safety net, such as a common deposit fund, to sustain confidence. And it needs common backstops to deal with systemic problems across borders."

Lexington

When not in Rome

Mar 9th 2013 | [From the print edition](#)

72,16



AMERICA's politicians may not agree on much, but they know the model they do not want to follow: Europe. The continent's very name conjures up visions of credit downgrades and tax hikes, of empty treasuries and ancient squares wreathed in tear gas, as welfare-addled protesters demand that richer countries fund their right to retire at 55.

Some Republicans pretend that America is halfway to Mediterranean dysfunction. Debt is “burying the future for our kids and our grandkids”, the Speaker of the House of Representatives, John Boehner, said on March 3rd, explaining why his party had just allowed crude spending cuts known as the sequester to kick in. Defending the sequester in the absence of smarter cuts, Paul Ryan, the chairman of the House Budget Committee and a former vice-presidential candidate, said that Greece showed that books can be cooked “for only so long”.

Democrats, meanwhile, hint that American conservatives are just a toga party away from defending the sort of crony capitalism that has inspired protests from Porto to Piraeus. On the day the sequester took effect Barack Obama declared that Republicans could have stopped the cuts, but chose to put “special interest tax breaks for the well-off and well-connected” first.

America is not Europe, and is not about to suffer that continent's fate for lots of reasons, starting with the existence of a broad national consensus about the need to stay globally competitive and to fix the public finances, even if right and left cannot agree how best to achieve those goals. But though America does not show many of the symptoms of decline that Europe does, **it increasingly shares a problem that lies behind the euro zone's difficulties: division.**

Many European politicians like to reach for technical explanations for the new populist parties and the angry protests shaking their union, notably the core that uses the euro. **They talk of the currency's flawed design and how all could be fixed with new rules to bind rich and poor members.** After a previous posting in Brussels, Lexington has a simpler explanation. **Europeans, at least for now, do not like each other enough to make a deeper union work.**

A question posed worldwide by the Pew Research Centre over several years offers a good example of Europe's **clashing social contracts.** It asks whether success is down to hard work or forces beyond citizens' control. In Pew's most recent global poll, in 2012, **most Germans, Britons and Czechs agreed that most people can succeed if they work hard. French, Greek and Italian respondents mostly disagreed.** Such cynical fatalism explains the southern demands for “solidarity” that set north European teeth on edge. **If voters think success is undeserved, cash for all sounds like simple justice.** The same Pew poll suggests that America is both exceptional and more united than some fear. In Britain, the European country showing the most faith in meritocracy, 57% linked hard work with success. Fully 77% of Americans made that same link, and theirs was

a cross-party, classless faith, expressed by at least 70% of all surveyed, whether Democrats or Republicans, low-paid or wealthy.

A shared social contract is one reason why America's fiscal and political union is in better shape than Europe's fledgling version. It is why Mr Obama, while defending government programmes, praises personal responsibility and insists that a “basic” safety net, far from creating dependency, frees Americans to take risks. **Yet America should fear the spread of the crudest poison paralysing Europe: mutual dislike between citizens.**

Republicans bear considerable blame, after years spent **dividing America into taxpaying “makers” and welfare-dependent “takers”**. They have allowed their zeal for austerity to be tinged with regional antipathies. After Hurricane Sandy hit (mostly Democratic) northeastern states, House Republicans were slow to approve disaster funds, treating northeastern colleagues like “third-world beggars”, complained a New York Republican, Peter King. In the sequester crisis, Republicans' selective hostility to spending has become a caricature. A new House Republican proposal, juggling money within sequester limits, would shift funds to the FBI, embassy security, prison guards, border agents, customs officers and forest-fire fighting—as if the only good federal workers sport uniforms and badges. Raúl Labrador, an Idaho congressman, claimed that the cuts could be painless had Mr Obama not set out to make Republican districts suffer. Several cheered any chance to cut spending, even boneheadedly. Mike Pompeo, from Kansas, called the sequester a “home run”.

Presidents shouldn't play divide and conquer

Democrats have stoked divisions in return. Nancy Pelosi, the Democrats' leader in the House, questioned whether Mr Pompeo was on “Team America”. Worse, Mr Obama hints that America's deficits might be tamed with painless tax rises. He has accused Republicans of choosing to slash spending on schools and the armed forces rather than touch tax breaks for “big oil companies” and what he likes to call “loopholes for corporate jet owners”: his description for a rule covering private planes, whose abolition would raise a piffling \$300m a year. Mr Obama likes to think he is more reasonable than his Republican foes. But the president is stirring up dislike, just like them.

It is much harder to find painless spending cuts and painless tax rises than duelling Republicans and Democrats suggest. Both sides' fibs rest on ill-concealed contempt for an undeserving other: the feckless poor, the immoral rich, those who live in states of the wrong partisan hue. **Mutual dislike is the dirty secret that best explains European paralysis. American politicians have no business stoking it in their far more ambitious union.**

Economist.com/blogs/lexington

Germans Will Allow Unconditional ECB Bond Buying



Much has been made about the Italian election results, but the split decision is ultimately a nonevent.

The Reuters article espouses the position that shaky governments in Italy and Spain will be unable to implement a European aid program necessary to activate the ECB's OMT program, a euphemism for debt monetization. When the program was announced in September, the Germans and the northern tier of creditor countries were quite insistent that there would be no bond buying without conditions.

This statement amounts to political cover. Merkel has an election to win this year, and the other governments must also answer to their bailout weary citizens. Claiming that OMT would be subject to very strict conditions was a tactic deployed to place a floor under PIIGS sovereign bond prices without causing a voter revolt in the countries that will wind up paying for ECB munificence.

Market participants have figured out that the Germans are all in, whether they like it or not. Bond prices fluctuated on Monday but have returned to approximate pre-election levels.

Suppose that Italian bond yields begin crashing pushing the country to the brink of default as demand dries up for its new debt issues with Spain being dragged along for the ride. Both countries request activation of the OMT program. After a tense negotiation with the ECB and the Germans, a package of mild reforms is agreed upon.

Italy has no prime minister, and Spain's is neck deep in a corruption scandal. Fearing voter backlash, legislatures in both countries fail to approve the reforms. Cash needs have been delayed as long as possible, and defaults could occur in a matter of days. What happens now?

Do you think the Germans will allow either country to default beginning serious of events that will lead to the dissolution of the eurozone? Will they stand on the principal, or will they cave and allow an ECB rescue to take place?

The cost of a eurozone breakup is impermissibly high to Germany. As long as it is cheaper to bailout these countries rather than allowing them to exit the eurozone, then they will be bailed out. Eventually, the costs will force a breakup, but in the short term permitting the ECB to turn on the magic money machine is an inexpensive way to maintain the current status quo.

Analysis: Italy election punches hole in ECB's euro defenses

Thu, Feb 28 2013

FRANKFURT | Thu Feb 28, 2013 9:17am EST

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(Reuters) - A dramatic anti-austerity vote leaves [Italy](#) lying outside the fortress the European Central Bank constructed around the euro zone last year and vulnerable to a market attack.

This week's election leaves slim prospects for a durable, reform-minded government in Rome and exposes a flaw in the bond-buying defense plan the ECB put together last September - a weakness that could see the [euro zone](#) crisis roar back to life.

After vowing to do "whatever it takes" to save the euro, the ECB's Italian chief Mario Draghi launched a plan - dubbed Outright Monetary Transactions (OMT) - in September which promised potentially unlimited buying of a struggling country's bonds.

Market pressure on the euro zone's high debtors has subsided ever since, to the extent that even the most cautious policymakers have declared the worst to be over.

The catch is Draghi is ready to do whatever it takes "within our mandate". To satisfy this caveat, the scheme requires a country whose bonds the ECB buys to sign up to a European aid program with debt-cutting conditions attached.

But Italians overwhelmingly rejected Prime Minister Mario Monti's austerity policies in a February 24-25 election that gave no party a parliamentary majority and threatens prolonged political instability in the euro zone's third largest economy.

Markets are unnerved. Italian borrowing costs have risen sharply and jitters have spread to [Spain](#). But fear could turn to greed if investors sense Italy is unprotected.

The ECB, which has yet to activate the OMT, is sticking to its principles and refusing to become fixated by short-term fluctuations of sovereign bond yields.

"If yields go up because of political events, there is not much the ECB can do, that's not related to monetary policy whatsoever," ECB Executive Board member Benoit Coeure said at a Reuters summit on the euro zone's future this week.

When Draghi began forming the OMT plan last July, yields on Italian benchmark bonds were well above 6 percent and heading for 7. Now they are trading around 4.7 percent after flirting with 5 percent just after the inconclusive election.

Sources close to the ECB are conscious of the risk of contagion from Italy to Spain, but insist it will not intervene to help Italy if it does not have a credible government capable of the reforms required for support in the debt market.

SPAIN VULNERABLE TOO

In his first public comments since the election in his homeland, Draghi stressed in a speech in Munich on Wednesday that the ECB's mandate only stretches so far. The subtext was clear: Italy will have to front up and reform.

"We do not act to help governments. We act to help maintain the flow of credit to real firms and households," Draghi said. "Governments need to address the structural problems in their economies."

[Germany](#) is aware of the risks of inaction.

Finance Minister Wolfgang Schäuble told Reuters on Wednesday that Italy's inconclusive election had raised the risk of market turmoil spreading to other euro countries and urged Italian politicians to form a stable government quickly.

A Reuters poll of economists found 44 of 55 thought Italy's turmoil made it more likely the ECB would deploy its bond-buying artillery but with Spain - caught up in Italy's backwash - the more likely recipient.

Spanish Economy Minister Luis de Guindos told the Reuters euro zone summit Madrid was no closer to seeking bond-buying help than it was before Italy's election. But UBS analysts expect Spain to ask for European aid to allow ECB intervention in the second half of this year.

CONUNDRUM

With Italy showing no appetite for the reforms that are a pre-condition for OMT support, a sustained attack on its sovereign bond market could throw the euro zone back into the depths of crisis and land the ECB with a new policy conundrum.

"I think that could happen," Clemens Fuest, the incoming chief of Germany's ZEW economic institute, told Reuters.

"The OMT program in a way was the creation of a safety net and a step forward, but in another way it was also a step back ... the Achilles' heel was a situation like this where one systemically important country rejects austerity."

Under its previous bond plan, the Securities Markets Programme (SMP), the ECB could intervene without necessarily attaching conditions.

In the event of a market onslaught and no reform commitment from Italy, one option for the ECB now would be to sit back and hope the increase in borrowing costs pushed Rome into action.

"Another option, if things go very bad, would be to just intervene in the market and take the risk that the Italian government will do nothing and wait," said Fuest.

But do that and the Bundesbank, German lawmakers and others would throw their hands up in horror at the ECB ripping up its rule book, potentially undermining the entire safety net.

The ECB has already been caught out once by Italy.

In 2011, the bank bought Italian and Spanish bonds under the SMP only for Italy's then prime minister, Silvio Berlusconi, to go back on reform promises he had made to get the ECB to step in.

That experience led the ECB to attach conditions to the OMT plan. But even if an Italian government did commit to reforms, German lawmakers could veto aid.

Berlusconi's strong showing in this week's election will surely give policymakers pause for thought.

Germany's Bundesbank, the biggest stakeholder in the ECB, would certainly disapprove of bond buying. Even with strict conditions, Bundesbank chief Jens Weidmann regards ECB bond buys as "tantamount to financing governments by printing banknotes".

So the option of sacrificing ECB principles would infuriate the bank's most important constituent and risk a schism at the heart of the euro zone's most credible institution.

Berenberg Bank's Christian Schulz, a former ECB economist, did not expect such a scenario to materialize.

"They will only intervene if a country reforms," he said. "Effectively, Italy has voted away the safety net that was in place before and they don't have a safety net any more."

In other words, Italy is defenseless. No wonder European leaders are crossing their fingers and insisting a strong government in Rome can still result.

(Editing by Mike Peacock)

Recipe for Divided Europe: Add Horse, Then Stir

By [ANDREW HIGGINS](#)

OLOMOUC, Czech Republic — For Zuzana Navelkova, it was just another day at the office. She showed up for work last month and found a two-pound bag of frozen Swedish meatballs awaiting her attention.

“There was nothing unusual, just the normal routine,” recalled Ms. Navelkova, head of the virology department at a state-financed veterinary laboratory in this Czech town about 160 miles east of Prague.

Normal, that is, until she found horse meat in the meatballs, retrieved from an [Ikea](#) furniture store in the nearby city of Brno.

The discovery, based on DNA testing, did not stir any alarm at the laboratory, which spends most of its time hunting for deadly health hazards, not for food-labeling fraud. “I would still eat these meatballs,” Ms. Navelkova said. “No problem.”

But the results set off a firestorm across Europe, pouring fuel on a slow-burning scandal that had begun weeks earlier with the first discovery of [horse meat masquerading as beef](#) in Ireland and then Britain. “We never expected this kind of reaction,” Ms. Navelkova said.

Neither, it seems safe to say, did many in Europe, where in normal times tons of horse meat are consumed every year without causing a stir. The scandal has cast a pall over Europe’s proudest achievement — a vast common market that allows the free flow of goods and services across borders — and even the very idea that Europe’s different nations can somehow work together to set and enforce common rules.

Consumers are increasingly asking a simple but discomfiting question: Why, in a trading bloc notorious for regulating things like the shape of bananas and the font size on food labels, was something as simple as identifying the difference between a cow and a horse so difficult?

And at a time of immense strains brought on by the euro crisis and Continentwide austerity — when new, anti-European political forces are rising in country after country — the horse meat scandal has brought into the open the deep divisions, cultural and otherwise, that bedevil the [European Union](#). A meat that nearly all Britons consider revolting, for example, is cherished as a protein-rich delight by a small but loyal minority in places like Belgium, the home of the European Union’s Brussels bureaucracy and Europe’s biggest per capita consumer of horse meat. (Italy, with its larger population, eats the most horse over all.)

For a surging camp of so-called Euroskeptics in Britain, the fact that horse meat has entered the food chain through a host of middlemen and factories scattered across the Continent stands as proof of unbridgeable cultural chasms that, in their view, make the European Union unworkable.

“With 27 different countries with completely different cultural backgrounds, there is no cultural brake on what goes into our food,” said [Godfrey Bloom](#), a member of the European Parliament for the United Kingdom Independence Party, a group that wants Britain to pull out of the bloc. “I don’t think it is possible at all to have 27 countries agreeing to and complying with and implementing” the same rules, he said during a recent hearing on horse meat in Brussels.

The union’s failure to prevent what Ireland’s agriculture minister, [Simon Coveney](#), [described](#) as “fraud on a massive scale across multiple countries” flows from a deliberate design in the foundations of the so-called European project, an effort over six decades to push Europe’s once warring nations into a zone of peace rooted in shared economic and, ultimately, political sovereignty.

Under an unwieldy system intended to assure national governments that they can give up some sovereignty but not lose control, legions of officials at the European Commission, the union's Brussels-based executive arm, churn out regulations and directives but lack the authority or resources to enforce them.

For the most part, that is the province of individual countries. This means that while Brussels may loom large in the public imagination, particularly in countries like Britain, as a meddlesome, even omnipotent, authority, it is actually weak.

“Those who think that the European Union or the Commission has an army of inspectors and wardens to implement legislation in this field or any other should know that there is nothing in existence of this sort,” [Tonio Borg](#), the union's senior official for health and consumer policy, told the European Parliament recently.

The European Commission, he explained, is largely powerless to make sure its rules on [food labeling](#) or anything else get observed, especially in the face of people determined to manipulate the system. That job, he said, belongs to each country.

The horse meat fracas has also put a spotlight on the tenacity of cultural and national stereotypes that were supposed to fade away as a new common sense of European identity took hold. Particularly pronounced has been a tendency in the richer nations of Western Europe to point a finger at what they often see as their poor and unreliable country cousins in the former Communist East.

When it was first discovered that [lasagna on sale](#) in France and Britain contained horse meat, [Romania](#), the second-poorest country in the European Union, was immediately cast as the culprit. Fed by mostly fictitious accounts of a mass slaughter of Romanian horses after the introduction of new traffic rules banning horse-drawn carts, the news media in France and Britain reported that hundreds of thousands of Romanian horses had suddenly entered the food chain.

“It is total nonsense,” said Lucian Dinita, the chief of Romania's road police. The nation, he said, did introduce a law in 2006 restricting horse-drawn carts on roads, but it was scrapped two years later and led to no mass culling of unemployed horses.

Some of the horse meat that ended up in processed foods sold in France and other countries did originate in Romania, but a French government report issued last month said this had been clearly labeled as coming from horses, not cows. The fraudulent substitution of horse meat for beef — about three times the cost — occurred at a factory in southern France, the report said.

Squeaky-clean Sweden also lapsed into finger-pointing and denial — initially, at least. When [Ikea announced](#) near the end of last month that it was withdrawing its signature meatballs from stores across much of Europe, the Swedish company that manufactured them, Gunnar Dafgard AB, denied that its products contained any horse meat and suggested that the Czech laboratory could not be trusted. In a statement, the company said that its own tests and those of an external laboratory had found “no horse meat,” and it added that it had “tried to reach the laboratory in the Czech Republic for additional information but without any success.”

Jan Bardon, Ms. Navelkova's boss at the Czech laboratory, the State Veterinary Institute Olomouc, whose phone number is easily found on the Internet, said he had heard nothing from the Swedish meatball maker. Dafgard later acknowledged that some of its products did indeed contain horse meat as the Czechs had said. The company last week announced that the meat probably came from Poland.

All nations in Eastern Europe except Estonia produce horse meat, but appetites for it there are waning fast, as in the West.

“I eat it occasionally, although it is not my personal favorite and I don't search it out,” said Tomas Hrouda, the chief executive of Pribramska uzenina, a Czech food company that produces horse sausages. He said he worried that the ruckus over fraudulent labeling “sends a bad signal to customers and casts a shadow over all meat producers.”

It has also led a growing number of European food producers and stores to seek shelter in patriotism by assuring consumers that their meat comes entirely from within their own country's borders. The French frozen-food chain Picard and the supermarkets Carrefour and Intermarché, for example, have all said they will use only all-French beef in their meat dishes.

Growing calls for mandatory "country of origin" labeling on all processed meats sold in Europe have stirred concern in Brussels about a surge in what Mr. Borg, the health and consumer affairs commissioner, has called "veiled protectionism." Until now, only unprocessed meat had to identify its place of origin.

"The Germans are saying we are only going to eat German products. The French are saying the same for French products. What happened to the common market? This is really serious," said [Françoise Grossetête](#), a French member of the European Parliament.

For Jakub Sebesta, director of the Czech Agriculture and Food Inspection Authority in Brno, the furor over doctored food products is long overdue. "We have been living with this reality for some time. The big problem in the 21st century is not [food safety](#) but falsification on a massive scale," he said.

His inspection agency [set up a Web site last year](#) called Food Pillory to name and shame producers and stores in the Czech Republic that had been found to be selling adulterated and mislabeled goods. In less than a year, the agency has uncovered more than 200 such cases, including frozen fish that were in fact mostly ice and wine that turned out to contain no grapes. "In a way it is good that the horse meat case has uncovered what happens in the food business and that officials in Brussels have finally woken up to this problem," Mr. Sebesta said. "Perhaps things will change for the better."

The European Union's main response so far has been to prod member states to undertake a one-month program of random DNA testing for horse meat. Brussels will cover 75 percent of the cost. As testing and labeling rules become more stringent, however, the likelihood of yet more scandals and further blows to consumer confidence only increases. "What do we do when it turns out that hot dogs really do contain dog?" joked a Brussels official involved in food issues. He added, "But at least that wouldn't be false labeling."

Some French fans of horse meat are hoping that the fuss could add a frisson of excitement to eating horses and help lift the stigma from a fare that, even in France and Belgium, is generally viewed as old-fashioned and uncool. Several popular Paris restaurants are reported to be interested in adding horse to their menus.

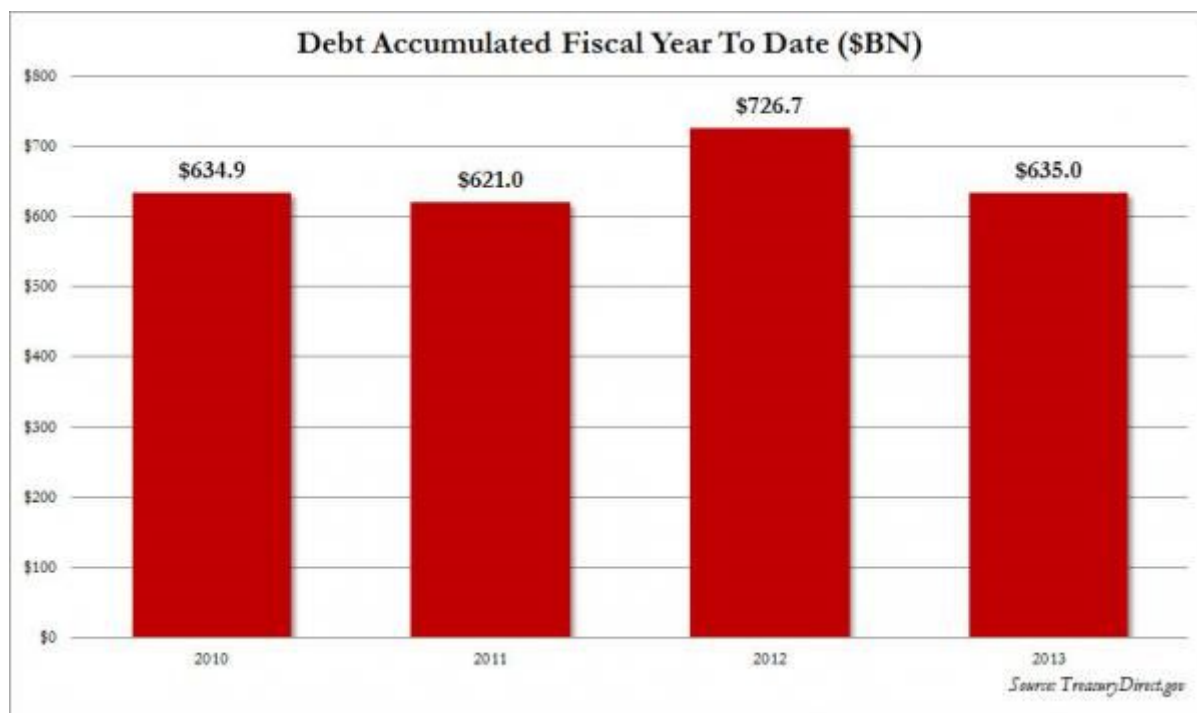
Dan Bilefsky contributed reporting from Paris, and Stephen Castle from London.

What "Austerity"?

Submitted by [Tyler Durden](#) on 03/10/2013 03:40 -0500

72,25

Sequesters; continuing resolutions; "spending brakes"; government shutdowns; fiscal restraint..... *austerity*. For all the ceaseless talk about the "prudent", "responsible" action out of Congress, even if it is a result of the president-proposed, and Congress endorsed automatic spending cuts enacted as a result of the August 2011 debt ceiling fiasco, we have a minor problem identifying just where this so-called *spending restraint* is manifesting itself. Perhaps that is because we look at the facts, not the propaganda, or the empty rhetoric. Here are the facts: in the year to date period of the past four fiscal years, starting October 1 and going through the current day in March, the current year has seen the issuance of exactly \$635 billion in Federal Debt, which as of Friday crossed the "psychological barrier" of \$16.7 trillion. This is the second highest cumulative debt issuance in one fiscal year, surpassing both 2010 and 2011, and lower only compared to the \$726.7 billion raked up in Fiscal 2012... just after President and Congress swore to cut back on spending following the US downgrade by S&P.



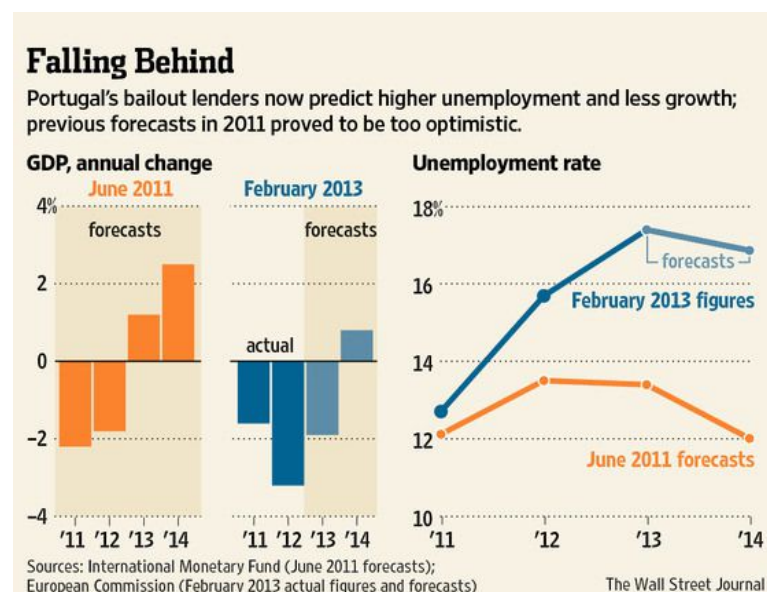
Incidentally, now that the US *officially has no debt ceiling*, and which despite all the endless bluster out of the GOP may be gone indefinitely, the US has managed to rake up \$270 billion in debt in just over one month.

Still think there is a difference between the "democrats" and the "republicans"?

Source: [TreasuryDirect](#)

(How works the anti-austerity rhetoric?)

Portugal Enters Greek Death Spiral



[Portugal Seeks Easing in Bailout Terms – WSJ.com.](#)

The eurocrisis tends to divide into two camps. One side supports tax increases and budget cuts to close deficits, while the other is against this method. As one often finds during bilateral disagreements, both sides have merit in their arguments while a third choice outside the mainstream structure remains unexplored.

The only way to reduce a deficit is to eliminate the gap between revenue and expenditures; however, during an economic crisis government spending cuts leads to even greater decreases in GDP reducing revenue thus. This dynamic is known as the multiplier effect, which creates the pernicious debtor's trap explained by Irving Fisher, "The more debtors pay, the more they owe."

Economic forecasters from the IMF and Eurozone fail to take the extreme multiplier effect into account when making predictions. The attached graph show how badly they miss, and this is also the case in Spain and Greece. Note that the IMF has revised its forecasts for Portugal downward for 2013 and 2014, but if history is a guide they will miss again.

Austerity is not a way to help these countries but merely serves as political cover for their bailouts so as not to anger voters in Germany and the other creditor countries. While countries receive aid, they are punished for it. Portugal, Greece, Ireland and Spain, soon to be joined by Cyprus, are given just enough aid so that they do not default and exit the eurozone, while their economies continue to contract.

Just like Greece and Ireland, Portugal is requesting more time to pay its bailout loans pushing even more of today's debts to future generations. The Germans will approve the request in order to maintain the eurozone for a little while longer ensuring Portugal remains in depression.

The Portuguese have only themselves to blame. By continuing to belong to the euro, they doom their country to years of economic stagnation.

Die Rente mit 69 wird bald nötig

10.03.2013 · Das Rentensystem ist nicht dafür gerüstet, dass 2015 der erste Babyboomer-Jahrgang in den Ruhestand geht. Die Rente mit 69 wird bald notwendig werden. Das zeigt eine Bertelsmann-Studie, die der F.A.Z. vorab vorliegt.

Von [Heike Göbel](#)

Mit dem Ruhestand des ersten Babyboomer-Jahrgangs beginnt 2015 die Belastungsprobe für das Rentensystem. Bis 2035 steigt die Zahl der Rentner je Beitragszahler stark an, bis 2060 werden die Rentenausgaben stark wachsen. Auf diesen Härtestest ist die gesetzliche Rentenversicherung trotz der zahlreichen Reformen der vergangenen Jahre nicht genügend vorbereitet. Das zeigt eine Studie, die die Bertelsmann-Stiftung an diesem Montag vorstellen wird. Sie empfiehlt rasch neue Eingriffe, um die Beitragszahler zu entlasten und das Absinken des Rentenniveaus zu dämpfen. Frühzeitig sollte vor allem die weitere Anhebung des gesetzlichen Rentenalters auf 69 Jahre angekündigt werden. Vorgeschlagen werden auch höhere Abschläge bei vorzeitigem Rentenbeginn.

Zur Begründung heißt es: Die Lebenserwartung der Rentner dürfte sich bis 2060 kontinuierlich weiter erhöhen, die durchschnittliche Bezugszeit der Rente nehme damit wieder stark zu. Das spreche dafür, die Heraufsetzung der Regelaltersgrenze nach 2030 fortzusetzen. Denkbar sei eine Formel, die den Rentenbeginn mit der Entwicklung der Lebenserwartung verknüpfe. Damit sich die Bürger schon in der mittleren Lebensphase darauf einstellen könnten, müsse dieser Schritt rechtzeitig angekündigt und gesetzlich festgeschrieben werden.

Mehr Beschäftigung auf anderen Wegen

Als Ergänzung sollte der Abschlag von bisher 3,6 Prozent für jedes Jahr, in dem vorzeitig Rente bezogen wird, angehoben werden. Andere Länder verwendeten überwiegend versicherungsmathematisch „faire“ Abschläge von 5 bis 7 Prozent. Das neutralisiere Anreize zur Frühverrentung. **Ermutigend seien die Fortschritte bei der Beschäftigung älterer Arbeitnehmer in den vergangenen zehn Jahren.**

Neben der Verlängerung der Lebensarbeitszeit gehe es darum, auch auf anderen Wegen mehr Beschäftigung zu erreichen. Nicht ausgeschöpft sei das Erwerbspotential der Frauen. Auch bessere Qualifikation helfe, die Folgen des demographischen Wandels zu bewältigen. Durch eine Kombination der Effekte dieser Maßnahmen ließen sich die Aussichten für die Rentenfinanzierung zwar verbessern. „Wirklich gut können sie aber auch dann noch nicht genannt werden“, schreibt der Bochumer Ökonom Martin Werding, der Autor der Studie.

Werdung hat Daten zur langfristigen Entwicklung des Beitragssatzes und des Netto-Rentenniveaus vor Steuern bis 2060 zusammengetragen. Nach geltendem Recht steigt der Beitragssatz (der aktuell aufgrund der guten Konjunktur unerwartet auf 18,9 Prozent gesenkt wurde) bis 2030 auf 21,3 Prozent und bis 2060 auf 27,2 Prozent vom Bruttolohn. Das Rentenniveau sinkt von heute knapp 53 Prozent zunächst auf 45,2 und dann auf 41,2 Prozent. (Das Rentenniveau gibt an, wie hoch die Rente nach 45 Arbeitsjahren mit durchschnittlichem Verdienst im Verhältnis zum Durchschnittsentgelt der Beitragszahler ausfällt.) Kurzfristig entlasten die genannten Reformen kaum, aber sie verhindern eine durchaus mögliche schlechtere Entwicklung. Langfristig ergäben sich nennenswerte Effekte: Der Beitragssatz läge 2 Prozentpunkte niedriger, das Leistungsniveau 1 Punkt höher.

Verschieben des demographischen Problems

Werdung sieht die ernsthafte Gefahr steigender Altersarmut aufgrund des sinkenden Rentenniveaus. Daher prüft er andere Vorschläge zum Umbau der Alterssicherung. Den Umstieg auf eine steuerfinanzierte Grundrente

lehnt er ab. Da die gesetzliche Rente oft nur Teil des Alterseinkommens sei, seien zielgenaue, am tatsächlichen Bedarf orientierte Maßnahmen zur Eindämmung der Altersarmut sinnvoller. „Mit den finanziellen und administrativen Mitteln der Rentenversicherung“ sei dies nicht zu verwirklichen.

Eine Einbeziehung von Beamten und Selbständigen in das gesetzliche Rentensystem bringe vorübergehend Entlastung, letztlich verschiebe man die demographischen Probleme aber in die Zukunft. Sinnvoll sei stärkere ergänzende private Vorsorge, nachgedacht werden sollte über eine grundsätzliche Vorsorgepflicht. **Ein Konstruktionsfehler des Rentensystems sei der mangelnde Anreiz, Kinder zu erziehen.** „Existierende Leistungen dieser Art reichen bei weitem nicht aus, um die Belastung auszugleichen, die Familien bei der Erziehung und Ausbildung von Kindern übernehmen und mit denen sie zugleich das Rentensystem stabilisieren.“ **Deswegen plädiert Werding für einen starken Ausbau kinderbezogener Rentenansprüche. Personen ohne Kinder müssten stärker ergänzend kapitalgedeckt vorsorgen.**

Quelle: F.A.Z.

Das bessere Leben im Problem-Hochhaus

11.03.2013 · Die deutschen Kommunen sorgen sich wegen der Armutseinwanderung. Bei einem Besuch im besonders betroffenen Duisburg versteht der EU-Abgeordnete Hannes Swoboda einmal mehr, warum. Ein Dialog scheint schwierig.

Von [Reiner Burger](#), Duisburg



© Dominik Asbach/laif Mitgenommener, als er aus der Luft erscheint: Der Duisburger Stadtteil Hochfeld

„Problem-Bürger“ nennt sich Hans-Wilhelm Halle. Nicht Wut-Bürger, dabei ist er manchmal richtig wütend. Wenn sich der Müll wieder einmal vor dem Hochhaus stapelt. Oder wenn die neuen Nachbarn wieder endlos lärmern. Halle lebt in einer beschaulichen Bergarbeitersiedlung in Duisburg. Häuschen an Häuschen reiht sich in Rheinhausen-Bergheim. Nur wenige Mietskasernen gibt es in der Gegend und zur Durchgangsstraße hin nur ein Hochhaus. Lange war auch dieses Hochhaus eine begehrte Adresse bei Bergleuten und Stahlarbeitern. Aber mit der Kohle ist es längst aus in Duisburg und mit dem Stahl auch fast vorbei, zuletzt lebten vor allem Hartz-IV-Empfänger in dem arg heruntergekommenen Hochhaus. Vergangenes Jahr erschloss der Eigentümer dann eine neue Mieterschicht: Armutseinwanderer aus Rumänien und Bulgarien, die meisten von ihnen Roma.

Seither heißt das Gebäude bei den Einheimischen nur noch „Problem-Hochhaus“, wegen des Lärms und des Mülls und der flatternden Wäsche auf allen Balkonen. Und seither nennt sich Hans-Wilhelm Halle sarkastisch „Problem-Bürger“. Er wohnt ja gleich neben dem Hochhaus. Er bekommt ja alles direkt mit. „Glauben Sie nicht den Leuten in der Verwaltung, die behaupten, es sei besser geworden“, sagt Halle. „Anfänglich kannten wir die Ratten im Müll noch mit Namen, heute können wir sie nicht mehr zählen.“

Suche nach eindrücklichen Bildern

Seit Mitte Februar der Deutsche Städtetag in einem aufsehenerregenden Positionspapier warnte, der soziale Frieden in Kommunen wie Dortmund, Mannheim oder eben Duisburg sei durch weiter zunehmende Armutseinwanderung aus Südosteuropa gefährdet, ist das „Problem-Hochhaus“ überregional bekannt geworden. Fast täglich kommen Fernsehleute auf der Suche nach eindrücklichen Bildern. So genervt sind die Hochhausbewohner mittlerweile, dass sie neulich ein Team mit Obst bewarfen. Herr Halle ist hin- und hergerissen. Einerseits findet er es gut, dass endlich überregional über das Problem berichtet wird und sich auch die Landes- und Bundespolitiker zum Thema Armutseinwanderung äußern. Andererseits beklagt Halle: „Wer kümmert sich eigentlich um uns?“ Mit dem Herrn, der sich für heute angekündigt habe, sei es doch wieder dasselbe. „Die kümmern sich immer nur um die anderen.“

Wenig später hält eine schwere Limousine. Hannes Swoboda, der Vorsitzende der sozialdemokratischen Fraktion im Europaparlament, will sich gemeinsam mit seinen nordrhein-westfälischen Fraktionskollegen

Birgit Sippel und Jan Geier selbst ein Bild machen. Leyla Özmal, die Leiterin des Referats Integration der Stadt Duisburg, nimmt die Delegation auf dem Bürgersteig in Empfang. Vor ein paar Tagen hat Frau Özmal Tacheles geredet. „Wir fühlen uns von Land, Bund und EU im Stich gelassen“, sagte sie in einem Interview. Das hochverschuldete Duisburg ist ein Zuzugsschwerpunkt für Armutsfüchtlinge. Gab die Stadtverwaltung die Zahl der Armutseinwanderer am Anfang des Jahres noch mit 6200 an, berichtet Frau Özmal dem Gast aus dem Europaparlament nun, dass schon 6700 bulgarisch- und rumänischstämmige Einwanderer in Duisburg lebten.

Wenn vom 1. Januar 2014 die volle Arbeitnehmerfreizügigkeit gilt, erwartet Frau Özmal einen weiteren Zuzugsschub und damit weiter steigende Sozialkosten. Mit Mehrausgaben von mindestens 15 Millionen Euro rechnet die Kommune. „Die Stadt kommt an ihre Grenzen“, sagt Frau Özmal. In Rheinhausen-Bergheim versuche man „mit kleinen Schritten, für Dialog zu sorgen“. Kurz darauf fährt ein Kleinwagen vorbei. Die Frau am Steuer hat das Fenster heruntergekurbelt und schreit Richtung Hochhaus: „Scheiß Bulgaren!“

Wie schwierig es ist, in einen Dialog zu treten, erfährt Swoboda wenig später auch im Hof des Hochhauses. Kaum nähert sich seine kleine Delegation dem Parkplatz, auf dem Autos mit rumänischen, spanischen und französischen Kennzeichen abgestellt sind, flüchten die meisten der zuvor noch ins Gespräch vertieften Männer. Die Sozialarbeiterin und Dolmetscherin Veronika Borgovan, die sich im Auftrag der Stadt um die rund 300 Hochhausbewohner kümmert, hat Mühe, einen der Roma zum Bleiben zu überreden. „Die Leute haben Angst, dass Sie gekommen sind, um sie rauszuschmeißen.“ Im Haus lugen hinter den Gardinen neugierige Kindergesichter hervor.

Ganz allmählich kommt ein Gespräch im Hof in Gang. Ein Mann berichtet, dass er seinen beiden Kindern eine bessere Zukunft bieten wolle. Seine einzige Verdienstmöglichkeit sei derzeit, eine Obdachlosenzeitung zu verkaufen. Ein anderer Mann redet erregt auf Frau Borgovan ein. „Erzähl ihnen die Wahrheit, wie es ist in Rumänien. Erzähl ihnen, wie sie uns Roma diskriminieren“, übersetzt die Sozialarbeiterin. Die Leute fassen Vertrauen. Eine Frau mit Kopftuch stellt sich dazu. Kinder hüpfen um die Besucher herum.

Männer auf dem „Arbeiterstrich“

In Duisburg-Hochfeld hat Karl-August Schwarthans seine eigene Sicht auf die Dinge. „Integration ist in Hochfeld schon lange eine Daueraufgabe“, sagt der Geschäftsführer von AWO Integration, einem Unternehmen der Arbeiterwohlfahrt (AWO). Hochfeld mit aktuell rund 40 Prozent Ausländeranteil ist seit Jahrzehnten das Einwanderungsquartier Duisburgs. Erst kamen Italiener, dann Türken, heute zieht es die meisten der rumänisch- und bulgarischstämmigen Einwanderer, die nach Duisburg kommen, nach Laar, Meiderich, Bruckhausen und eben Hochfeld. Schwarthans beschönigt nichts. Er weiß zu gut, wie viel Ausbeutung es in Hochfeld gibt. Viele Männer gehen auf den „Arbeiterstrich“. Sie warten am Straßenrand, bis sie für Schwarzarbeiten abgeholt werden. Viele junge Frauen verkaufen ihre Körper. „Das ganze von zwei verfeindeten Rockerbanden kontrollierte Rotlichtviertel funktioniert nicht ohne Migrantinnen. Ausbeutung ist dort fester Teil des Geschäftsmodells.“

Trotzdem hält Schwarthans nichts von der aktuellen Aufregung über das Thema Armutseinwanderung. Zu viele Legenden seien im Umlauf. „Es gibt keinen Grund zur Hysterie.“ Ja, es herrschten oft beengte Verhältnisse, und es gebe Ausbeutung. Aber das berühmte-berüchtigte Matratzenlager, das habe er noch nie gesehen. Und auch die vom Städtetag genannten Zahlen zur Armutseinwanderung aus Rumänien und Bulgarien hält er schon aus einem Grund für übertrieben. „Bei den für 2011 genannten 147.000 sind jene nicht abgezogen, die wieder in ihre Heimat zurückgegangen sind.“ Und dann gebe es noch viele gut qualifizierte Einwanderer. Eben erst habe er wieder einen Arzt aus Rumänien bei sich gehabt.



© dpa Schaute sich in Duisburg um: Hannes Swoboda

Trotzdem redet sich Schwarthans in einer Gesprächsrunde mit Swoboda dann richtig in Rage. Auch als Sozialdemokrat könne er sich die Kritik daran nicht verkneifen, dass in Nordrhein-Westfalen ständig vom Modellprojekt „Kein Kind zurücklassen“ die Rede sei, sagt er in Anspielung auf das zentrale politische Versprechen von Ministerpräsidentin Hannelore Kraft (SPD). „Und wir hier können nicht für alle Kinder einen Schulplatz anbieten.“ 173 „unbeschulte Kinder“ aus rumänischen und bulgarischen Einwandererfamilien zählt Schwarthans derzeit. Die Einwanderer wollten ihre Kinder in die Schule schicken. „Mit dem Roma- oder Zigeuner-Bild verbinden viele in Deutschland: Die ziehen eh weiter. Das ist völlig falsch. Viele wollen bleiben, weil sie eine Perspektive für ihre Kinder suchen.“

Davon ist auch Swoboda überzeugt. Seit Jahren befasst sich der aus Österreich stammende Politiker mit der EU-Erweiterung und den Roma. Immer wieder forderte Swoboda einen zusätzlichen EU-Kommissar, der sich nur um Roma-Fragen kümmern solle. „Manche Mitgliedsländer haben nicht so viele Einwohner, wie es in Europa Roma gibt.“ Kein Verständnis hat Swoboda dafür, dass die EU-Kommission am vergangenen Donnerstag in Zweifel zog, dass es tatsächlich ein Problem mit Armutseinwanderung gibt. **„Es ist Unsinn, zu behaupten, es gebe kein Problem. Die Einschätzung ist für mich ein weiterer Beleg, dass wir einen Roma-Kommissar brauchen.“** Ja, die Klage der von Armutseinwanderung besonders betroffener Kommunen wie Duisburg oder Dortmund sei berechtigt, die Regelungsdefizite im EU-Erweiterungsprozess seien kommunalisiert worden. Die EU schaue immer nur auf die Regierungen ihrer Mitgliedstaaten und habe es darüber versäumt, „eine wirkliche Kommunikation mit den Städten“ aufzunehmen.

Mit zusätzlicher Hilfe von außen wird nicht gerechnet

Die Duisburger SPD-Landtagsabgeordnete Sarah Philipp wiederum sagt, auch auf Landesebene und in Duisburg selbst sei das Thema lange nicht richtig wahrgenommen worden. „Wir haben Jahre verschlafen.“ Sie verspricht, dass es im Landeshaushalt 2014 erstmals einen gesonderten Posten „Zuwanderung aus Südosteuropa“ geben werde, damit die von Armutseinwanderung betroffenen Kommunen eine feste Haushaltsgröße bekämen. Und auch das Etatrecht werde man ändern. Bisher gibt es in Nordrhein-Westfalen die Regelung, dass Kommunen für jede Projektfinanzierung einen Eigenanteil zwischen zehn und 25 Prozent aufbringen müssen. Klamme Städte wie Duisburg können es sich deshalb einfach nicht leisten, Fördermittel abzurufen, die sie dringend brauchten, um das Problem Armutseinwanderung besser zu bewältigen.

Mit zusätzlicher Hilfe von außen rechnet Integrationspraktiker Schwarthans trotzdem nicht. Gemeinsam mit den anderen Duisburger Wohlfahrtsverbänden wie der Diakonie oder der Caritas hat die AWO eine nüchterne Stellungnahme zum Positionspapier des Städtetags veröffentlicht. „Die Zukunftsaufgabe der Integration von zugewanderten Menschen aus dem EU-Raum wird die Duisburger Stadtgesellschaft mit ihren Möglichkeiten und Mitteln allein stemmen müssen“, heißt es darin.

In Rheinhausen-Bergheim bezweifelt Hans-Wilhelm Halle, dass der Stadtgesellschaft das gelingen kann. Er fürchtet sich vielmehr vor einer neuen Herausforderung für seinen Stadtteil. Haben Rechtsextreme das Thema „Problem-Hochhaus“ bisher nur für ihre Agitation mit Handzetteln und im Internet benutzt, plant eine ausländerfeindliche Gruppe nun erstmals eine Demonstration vor dem Gebäude.

Quelle: F.A.Z.

March 10, 2013

72,32

Dwindling Deficit Disorder

By ***PAUL KRUGMAN***

For three years and more, policy debate in Washington has been dominated by warnings about the dangers of budget deficits. A few lonely economists have tried from the beginning to point out that this fixation is all wrong, that deficit spending is actually appropriate in a depressed economy. But even though the deficit scolds have been wrong about everything so far — where are the soaring interest rates we were promised? — protests that we are having the wrong conversation have consistently fallen on deaf ears.

What's really remarkable at this point, however, is the persistence of the deficit fixation in the face of rapidly changing facts. People still talk as if the deficit were exploding, as if the United States budget were on an unsustainable path; in fact, the deficit is falling more rapidly than it has for generations, it is already down to sustainable levels, and it is too small given the state of the economy.

Start with the raw numbers. America's budget deficit soared after the 2008 financial crisis and the recession that went with it, as revenue plunged and spending on unemployment benefits and other safety-net programs rose. And this rise in the deficit was a good thing! Federal spending helped sustain the economy at a time when the private sector was in panicked retreat; arguably, the stabilizing role of a large government was the main reason the Great Recession didn't turn into a full replay of the Great Depression.

But after peaking in 2009 at \$1.4 trillion, the deficit began coming down. The [Congressional Budget Office expects](#) the deficit for fiscal 2013 (which began in October and is almost half over) to be \$845 billion. That may still sound like a big number, but given the state of the economy it really isn't.

Bear in mind that the budget doesn't have to be balanced to put us on a fiscally sustainable path; all we need is a deficit small enough that debt grows more slowly than the economy. To take the classic example, America never did pay off the debt from World War II — in fact, [our debt doubled](#) in the 30 years that followed the war. But debt [as a percentage](#) of G.D.P. fell by three-quarters over the same period.

Right now, a sustainable deficit would be around [\\$460 billion](#). The actual deficit is bigger than that. But according to new estimates by the budget office, half of our current deficit reflects the effects of a still-depressed economy. The “cyclically adjusted” deficit — what the deficit would be if we were near full employment — is only about \$423 billion, which puts it in the sustainable range; next year the budget office expects that number to fall to just \$172 billion. And that's why budget office projections show the nation's debt position more or less stable over the next decade.

So we do not, repeat do not, face any kind of deficit crisis either now or for years to come.

There are, of course, longer-term fiscal issues: rising health costs and an aging population will put the budget under growing pressure over the course of the 2020s. But I have yet to see any coherent explanation of why these longer-run concerns should determine budget policy right now. And as I said, given the needs of the economy, the deficit is currently too small.

Put it this way: Smart fiscal policy involves having the government spend when the private sector won't, supporting the economy when it is weak and reducing debt only when it is strong. Yet the cyclically adjusted deficit as a share of G.D.P. is currently about what it was in 2006, at the height of the housing boom — and it is headed down.

Yes, we'll want to reduce deficits once the economy recovers, and there are gratifying signs that a solid recovery is finally under way. But unemployment, especially long-term unemployment, is still unacceptably high. “The boom, not the slump, is the time for austerity,” [John Maynard Keynes declared](#) many years ago. He

was right — all you have to do is [look at Europe](#) to see the disastrous effects of austerity on weak economies. And this is still nothing like a boom.

Now, I'm aware that the facts about our dwindling deficit are unwelcome in many quarters. Fiscal fearmongering is a major industry inside the Beltway, especially among those looking for excuses to do what they really want, namely dismantle Medicare, Medicaid and Social Security. People whose careers are heavily invested in the deficit-sold industry don't want to let evidence undermine their scare tactics; as the deficit dwindles, we're sure to encounter a blizzard of bogus numbers purporting to show that we're still in some kind of fiscal crisis.

But we aren't. The deficit is indeed dwindling, and the case for making the deficit a central policy concern, which was never very strong given low borrowing costs and high unemployment, has now completely vanished.

Liebeseerklärung an das Hörbuch Sei still, der Bernhard spricht!

08.03.2013 · Der Leser ist bei Thomas Bernhard im Grunde immer ein Zuhörer. Er kann nicht ausweichen. Der Ton des Textes trifft ihn, eifersüchtig, obsessiv, unbarmherzig. Eine Liebeseerklärung an den Autor und seine großen Sprecher.

Von Elisabeth Wagner

72,34



© Barbara Klemm Thomas Bernhard denkt nach - in Ohlsdorf 1981

Das Stresshormon Cortisol, sagen die Hirnstoffwechselspezialisten, steige in den frühen Morgenstunden auf einen Höchststand. Die Zeit eigne sich insofern allgemein für Aussichtslosigkeiten jeder Art. Eine Wehe aus Selbstgerechtigkeit und Verzweiflung suche die Menschen heim. Ein Gespenst, nichts weiter. Es mag eine Geduldfrage sein, eine Frage des persönlichen Standpunktes, wie man mit Gespenstern umgeht. Die Idee jedenfalls, Lesungen von Thomas-Bernhard-Texten als Medikament gegen innere Unruhezustände zu nutzen, leuchtet Hypochondern und ihren engen Verwandten erfahrungsgemäß unmittelbar ein.

Wer wiederholt die eigenen Gedankenschleifen, wer zerlegt die Nacht in falsche Einzeltöne, während ein Thomas Holtzmann spricht? Während er aus „Alte Meister“ liest? Aus „Holzfällen“ oder „Wittgensteins Neffe“.

In Baden-Badener und Münchner Rundfunknächten sind jene drei kongenialen Lesungen, wahrscheinlich doch die berühmtesten Thomas-Bernhard-Lesungen überhaupt, in den Jahren 1991, 1993 und 2000 entstanden. Zur Sicherheit hält man einen gewissen Vorrat davon in petto. Wie man eben ein Notfallmedikament immer im Schrank hat. Auch einen Brief hat man deswegen an Thomas Holtzmann geschrieben, sich aber nicht getraut, ihn abzuschicken. Sinngemäß stand drin, dass man ohne seine Lesungen wahrscheinlich durchgedreht wäre. Ein Dank also. Nach dem Tode Holtzmanns ist es nun zu spät für diesen Brief. Nicht zu spät ist es für die Dankbarkeit. Und für die Frage, was genau beim Bernhard-Vortrag geschieht. Was daran einen Zuhörer retten kann.



© Der Hörverlag

Hörprobe: Thomas Holtzmann liest „Wittgensteins Neffe“

[Zum Audio](#)

In der Hörspielabteilung des Südwestrundfunks SWR rät man, sich in dieser Frage an den seit 2004 pensionierten Regisseur Heinz Nesselrath zu wenden. An einen Ohrenmenschen und Pessimisten von Rang, der Holtzmann für das Bernhard-Vorlesen entdeckt und alle drei großen Lesungen mit ihm aufgenommen hat. In den Münchner Kammerspielen hat er den Schauspieler zum ersten Mal gehört. In welcher Rolle? Daran erinnere er sich nicht mehr, sagt Nesselrath. Wohl aber daran, die Augen geschlossen und sofort gewusst zu haben: Das ist er.

Nesselrath, der keine Hoffnungen mehr hegt für die pflegliche Behandlung von Stimmen, sei es im Radio oder in der Oper, und der an einem nebligen Nachmittag im Winter überhaupt davon ausgeht, dass der Mensch vom Angesicht des Planeten verschwinden werde, nennt es „eine Übereinstimmung“. Eine glückliche Kongruenz von Haltungen und Tonhöhen, von Verschrobenheiten und einer Prise Verrücktheit.

Mit der höflichen Bitte, nicht angesprochen zu werden

So selbstverständlich wie das Erkennen, sagt Nesselrath, sei auch die Zusammenarbeit gewesen. Einfach, unkompliziert, ohne die geringste Allüre. Ein Riese betrat das Studio. Jemand, dem die Sprache Thomas Bernhards passte wie eine zweite Haut.

Tief in einem Sessel sitzend. Das Licht auf den Buchseiten, das Mikrofon seitlich zum Mund. Die Zigaretten neben sich. So habe Holtzmann gelesen. Mit ungeheurem Sinn für Tempo und Farbenwechsel. Keinen Millimeter Abstand habe er zum Text halten müssen. Nichts habe er verschludert. Selbst die Atemlosigkeit nicht. In den Aufnahmepausen sei er dann, mit der höflichen Bitte, nicht angesprochen zu werden, auf dem Flur rauchend auf- und abgelaufen. Freundlich, undurchdringlich. Niemals habe man sich geduzt oder auch nur an einer Stelle den Abstand der Diskretion und des Takts verletzt. „Schwer, ihn zu beschreiben. Sein Lachen war merkwürdig still“, so Nesselrath, der sich keinen zweiten Bernhardverkörperer vorstellen mag. Er, der in über 40 Jahren beim Hörfunk mit Leuten wie Wolfgang Büttner und Gisela Trowe gearbeitet, mit Rolf Boysen den „Grünen Heinrich“ aufgenommen hat, besteht auf dieser einen Stimme. Und man wagt nicht zu widersprechen. So wie man ja auch nicht widerspricht, wenn jemand sagt, dass Maria Callas die größte aller Sängerinnen war. Und doch. Man wird sich davonschleichen müssen und der Maria Callas der Bernhard-Lesungen untreu werden müssen, denkt man. Und dass man es sich als Mensch, der Grübelzwänge kurmäßig mit Bernhard-Lesungen behandelt, gar nicht leisten kann, auf die anderen Bernhard-Stimmen zu verzichten. Auf Peter Simonischeks Stimme zum Beispiel, auf die Lesung von „Der Keller“. die jedem Bernhard-Verehrer ein Hochamt ist.



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Hörprobe: Peter Simonischek liest „Der Keller“

[Zum Audio](#)

„Wir sind widerstandsfähig geworden, uns kann nichts mehr umwerfen, wir hängen nicht mehr am Leben, aber wir verschleudern es auch nicht zu billig, hatte ich sagen wollen, aber ich hatte das nicht gesagt. Manchmal erheben wir alle unseren Kopf und glauben, die Wahrheit oder die scheinbare Wahrheit sagen zu müssen und ziehen ihn wieder ein. Das ist alles.“

So schließt er der Text. Mit einer Essenz, einem Resümee, das in der eleganten und weitläufigen Stimmführung Peter Simonischeks paradoxerweise nicht wie Resignation, sondern als ideales psychisches Gleichgewicht daherkommt. Surrender. Hingabe. Das Ende von Ehrgeiz und Ignoranz. Simonischek liefert den Beweis, wie klug das Textverstehen einer Lesung sein kann. Wie angewiesen geradezu auf einen, der redet.

Einen „Dichter des Sprechens“ hat Elfriede Jelinek ihren Landsmann Thomas Bernhard einmal genannt. Und sie hat die Erfahrung der Atemnot als die Urszene seiner Literatur beschrieben. Das Sprechen liefert Bernhard den eigenen Existenzbeweis, das Sprechen und Schreiben, jener hochmusikalische Rhythmus der Wiederholung wird zum einzig möglichen Aufschub gegen den Tod.

Dramatischer kann die Ausgangssituation nicht sein. Auch für den Leser nicht, der bei Bernhard im Grunde immer ein Zuhörer ist. Er kann nicht ausweichen. Der Ton des Textes trifft ihn, eifersüchtig, obsessiv, manche sagen „unbarmherzig“, worauf der Zuhörer, bei entsprechender Neigung, mit Liebe reagiert. Er fühlt sich getröstet. „Weil er hört, dass da jemand ebenfalls sauer ist“, würde Heinz Nesselrath sagen. „Weil es eine Stimme ist, die niemals sentimental ist, nie selbstmitleidig“, der Burgschauspieler Gert Voss.

Etwas Zuversichtliches schwingt mit

Voss, der eine Sonderrolle unter allen Bernhard-Vorlesern spielt, schon deshalb, weil Bernhard eigens für ihn Theaterstücke schrieb und „ein Schauspieler wie Sie geht nicht auf den Opernball“ zu ihm sagte, hat von der Prosa Bernhards „Ein Kind“, den letzten und für viele schönsten Teil der Autobiographie Bernhards gelesen. Ein Buch, dessen Melodie innerhalb des Bernhard-Werkes einzig dasteht.

1982, im selben Jahr wie das große Freundschaftsbuch „Wittgensteins Neffe“ erschienen, ist es der Text, der ganz an den Anfang reicht, dorthin wo die Riesen wohnen, die mächtigsten Gegner der Lebensangst: Der Großvater, die Großmutter, die Menschen und Tiere auf dem Hippinghof. Man kann die Anwesenheit dieser für Bernhard fast mythischen Figuren in der Stimme von Voss wunderbar hören. Etwas Zuversichtliches schwingt mit, als ob, solange der Großvater über das Leben entscheidet, die Welt nicht wirklich töten könne. Daher die besondere Wärme dieser Lesung, ihre Ruhe, die Zuversichtlichkeit und der unschuldige, fast märchenhafte Ton, der das Kind wie ein Schutz begleitet.

Bernhard ist nie müde geworden „die Erfahrung des Großvaters“ oder „die Schule des Großvaters“ als die erste und entscheidende Wirklichkeit seines Lebens zu bezeichnen. Zwei Erfahrungen hat er davon unterschieden. Die Erfahrung aller anderen Menschen und die eigene. Der verliebte Bernhard-Hörer erkennt sie mit der Zeit an ihrem Klang, ihren stimmlichen Motiven. Er unterscheidet solche der Sehnsucht von denen der Kränkung und

des Hochmuts. Und er lernt, dank eines Bernhard-Sprechers wie Burghart Klaußner, den aggressiven Bezeichnungston auf keinen Fall mit der zärtlichen Verzweiflungsklarsicht zu verwechseln.

Ein Wagnis ist vor dem Mikrofon zu bestehen

Der Abstand ist minimal aber wesentlich, und Klaußner beherrscht ihn vollkommen. Er habe, sagt er, noch etwas gut zu machen gehabt an Bernhard. „Ein Totalunverständnis, genau genommen“. Mit 21 Jahren, ein junger Schauspieler am Berliner Schillertheater „ohne jeden Sinn für Wiederholungs-dramaturgie und deren Tiefe“, habe er den älteren Kollegen in Dieter Dorns Inszenierung von „Der Ignorant und der Wahnsinnige“ zusehen. Unpolitisch sei ihm dieses Stück und dessen Sprache vorgekommen, viel zu sehr aufs Privat-Befindliche aus. Klaußner begegnet seinem 21 Jahre alten Ich nicht ohne Spott. Nein, dieser Mann, das ist klar, würde sich beim Vorlesen eines Bernhard-Textes niemals in einen Sessel setzen.

Ein Wagnis ist vor dem Mikrofon zu bestehen. Eine Gefahr zu meistern. Es macht Sinn, einen strengen Mann wie ihn in „Die Kälte“ zu schicken. Einen Anführer, der mit Chuzpe seinen Zuhören in die Sterbezimmer der Lungenheilstätte Grafenhof vorausgeht. In die Ordinationszimmer der Lungenärzte, wo der Herr Professor über ein Telefongespräch mit seiner Haushälterin, das Mittagessen betreffend, vergisst, dass Luft in den Brustkorb seines jungen Patienten einströmt. Der Patient kriecht beinahe, ruiniert ist das Pneumoperitoneum und damit die Aussicht auf Heilung, wenn nicht vernichtet, so jedenfalls entscheidend geschwächt.

An irgendeinem dieser Kältepunkte, hört man, muss sich der kranke in einen lebenslang todkranken Patienten verwandelt haben. Die Kunst gewinnt aus der Bedrohung etwas Neues. „Einen Überlebenston“, sagt Klaußner. Einen Ton, dem man in Zuneigung verfallen kann, weil er sich, frei nach Bernhard, weder für die Tragödie noch für die Komödie entscheidet. Er stirbt nicht. Im Gegensatz zur kaputten Lunge, der er ursprünglich entstammt. Das ist der Trost. Er habe, sagt Burghart Klaußner, die Geschichte eines Siegers gelesen.

Wo Euro-Vermögen sind

11.03.2013 · Die Vermögensdaten der Europäische Zentralbank werden zeigen, was viele ohnehin wissen: In der Eurokrise wird nicht von Reich zu Arm umverteilt, sondern von Regeltreuen zu Regelbrechern.

Von [Holger Steltzner](#)

Warum will die Europäische Zentralbank die [Ergebnisse ihrer Studie](#) zur Verteilung des Vermögens in Europa erst nach dem Beschluss über ein Hilfspaket für Zypern veröffentlichen? Offenbar fürchtet sie den Protest in den Geberländern, wenn sogar offizielle Zahlen der EZB belegen, dass vermeintlich reiche Deutsche, Österreicher, Holländer oder Finnen kaum ärmere Zypriern raushauen sollen. Und was sollen davon erst arme Slowaken oder Esten halten, die ja schon längst für viel reichere Euro-Schuldensünder wie Spanien, Griechenland, Portugal oder Irland haften? Die Vermögensverteilung der EZB wird beweisen, was viele wissen, aber die Solidarität einfordernden „Euro-Retter“ verschweigen: Dass in der Eurokrise nicht von Reich zu Arm, sondern von Regeltreuen zu Regelbrechern umverteilt wird.

Die EZB hält die Daten aber auch deswegen zurück, weil sie selbst zum politischen Akteur geworden ist. Am liebsten möchte sie die Vermögensverteilung nur mitsamt einer politisch korrekten Interpretationsanweisung veröffentlichen. Das schadet ihrer Glaubwürdigkeit. Auch, dass die EZB aus Sorge um ihre Bilanz im Unterschied zur Bundesregierung und dem Internationalen Währungsfonds die Gläubiger zyprischer Banken nicht an den Hilfen für Zypern beteiligen will. Damit bestätigt die EZB bloß die allgemeine Wahrnehmung, wonach laufend Banken und Investoren gerettet werden - auf Kosten der Steuerzahler in den Geberländern.

Ungleichheit ausgerechnet dort groß, wo Sozialsysteme stark ausgebaut sind

Wäre die EZB neutral, könnte sie einfach über die Vermögensverteilung in Europa berichten, die nun mal so ist, wie sie ist. Vergleichbaren Daten der Credit Suisse zufolge sind Luxemburger, Franzosen, Belgier, Italiener und Österreicher im Schnitt reicher als Deutsche, mit einem überraschend großen Vorsprung der Franzosen und einem erwartbaren der Luxemburger. Bemerkenswert ist, dass die Vermögen in Frankreich, Deutschland und den Niederlanden besonders ungleich verteilt sind, ausgerechnet dort, wo die Sozialsysteme so gut ausgebaut sind.

In Frankreich sind die Löhne in den vergangenen Jahren stark gestiegen, und hier liegt auch die Staatsquote sehr hoch; beides gilt als entscheidend für die mangelnde Wettbewerbsfähigkeit der französischen Wirtschaft. Außerdem ist in Frankreich die Wohneigentumsquote höher, langen Grundsteuern heftig zu und gibt es hohe Vermögensteuern, die Rot-Grün hierzulande einführen möchte. Trotzdem sind die Vermögen dort ähnlich ungleich verteilt wie im angeblich so kalten und neoliberalen, aber wirtschaftsstarke Deutschland.

Quelle: F.A.Z.

Daten über Reichtum erst nach Zypern-Rettung

11.03.2013 · Die Euro-Notenbanken sammeln Daten darüber, wie reich die Europäer sind. Sie wollen sie aber erst allesamt veröffentlichen, nachdem das Rettungspaket für Zypern auf den Weg gebracht worden ist - denn sie sind politisch brisant.

Von [Stefan Ruhkamp](#)

Die [Umfragen der Europäischen Notenbanken über die Vermögensverteilung in den 17 Mitgliedsstaaten der Währungsunion](#) soll nach Informationen dieser Zeitung erst nach einem Beschluss über ein Hilfsprogramm für Zypern veröffentlicht werden. Man wolle vermeiden, dass die Daten über die Vermögen der Zyprioten genutzt werden, um die Milliardensummen für das Rettungsprogramm in Frage zu stellen, heißt es in Notenbankkreisen. Dabei sind die Grundzüge der Vermögensverteilung der Europäer durchaus bekannt. Eine Studie der Credit Suisse schätzt das durchschnittliche Nettovermögen von Erwachsenen in Zypern für das Jahr 2011 auf 87.000 Euro. Zum Vergleich: In Deutschland lag dieser Wert zur selben Zeit bei rund 135.000 Euro.

Weil die Notenbanken genauere Daten über Armut und Reichtum haben wollten, haben sie umfangreiche Befragungen vorgenommen. Seit dem Jahr 2006 arbeiten die Statistiker an den Untersuchungen. „Wie die Krise gezeigt hat, kann ein kleiner, hoch verschuldeter Teil der Bevölkerung einen bedeutenden Einfluss auf Marktentwicklungen haben“, heißt es in einer Vermögensstudie der österreichischen Notenbank. Deshalb zielt die Analyse vor allem auf Erkenntnisse zur Wirkungskette der Geldpolitik und zur Wirkung von Haushaltsverschuldung und Vermögenseffekten auf den Konsum. Die Haushalte wurden gefragt, wie viel Geldvermögen sie besitzen, wie wertvoll ihre langlebigen Konsumgüter wie Autos oder Schmuck sind, welchen Marktwert ihr Haus oder ihre Wohnung hat und wie hoch die Schulden sind. Die Summe ergibt das Nettovermögen.

Bundesbank zögert Veröffentlichung hinaus

Einige Notenbanken wie die in Italien, Österreich, Luxemburg und Spanien haben ihre Daten bereits veröffentlicht. Die Deutsche Bundesbank hat das, obwohl auch ihre Umfrage abgeschlossen ist, bislang noch nicht getan. Auch hier behaupten böse Zungen in Finanzkreisen, dass sie gezögert habe, um den umstrittenen Armutsbericht der Bundesregierung abzuwarten. Der ist inzwischen erschienen, und die Bundesbank will nun ihre Ergebnisse im Rahmen einer Konferenz am 21. März vorstellen. Der Gesamtbericht der EZB soll frühestens im April vorliegen. Dann dürfte das Rettungsprogramm zugunsten Zyperns über die Bühne gebracht sein. Die EZB erklärt den bislang unklaren Veröffentlichungstermin damit, dass die Daten und Studienergebnisse aus den 17 Mitgliedsländern noch von den Fachleuten überprüft werden müssten.

Die Notenbanken zieren sich mit der Herausgabe der Daten offenbar auch deshalb, weil sie die Wirkung auf die Öffentlichkeit fürchten. Denn in den Umfragen steckt politischer Sprengstoff: Zum einen, weil die Vermögen in manchen Krisenländern größer sind als in einigen finanziell stabilen Ländern. Die Banca d'Italia nennt zum Beispiel in ihrer Kurzanalyse nur den mittleren Wert, den Medianwert, von knapp 164.000 Euro Vermögen je privatem Haushalt. Im Vergleich hierzu liegt der Medianwert, der vor allem auch etwas über die Ungleichverteilung aussagt, für Österreich mit 76.000 Euro nur knapp halb so hoch. In Deutschland - wo die Vermögen am oberen Ende stärker konzentriert sind - dürfte der Median etwa auf dem von Österreichs Notenbank veröffentlichten Niveau liegen. Anders als die Banca d'Italia hat die österreichische Notenbank mit 265.000 Euro aber auch den Durchschnittswert bekanntgegeben - das zeigt, dass die Vermögen in Österreich wesentlicher ungleicher verteilt sind als in Italien.

Zyprioten so vermögend wie Spanier

Die verzögerte Offenlegung der Daten der Notenbanken mutet seltsam an, da es schon Daten und Studien zur Vermögensverteilung gibt. Eine Studie der Credit Suisse aus dem Jahr 2012 etwa beruht auf Analysen und Schätzungen von Forschern der Universität Oxford. Sie beziehen sich ebenfalls auf das Nettovermögen, also einschließlich Immobilien und abzüglich der Schulden. Demnach liegt Italien mit einem Durchschnittsvermögen von knapp 165.000 Euro je Erwachsenen auf dem vierten Rang im Euroraum.

Die Zyprer sind mit knapp 87.000 Euro ähnlich vermögend wie Spanier und reicher als Portugiesen oder Griechen. Deutschland liegt diesen Daten zufolge mit 135.000 Euro zwischen Italien und Zypern. Für böses Blut könnte sorgen, dass die beiden ärmsten Länder Estland und Slowakei mit Durchschnittswerten von 21.000 und 19.000 Euro zu den Ländern gehören, die für reichere und zugleich höher verschuldete Euroländer Haftungsrisiken übernehmen müssen.

Quelle: F.A.Z.

03/11/2013 12:37 PM

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Jean-Claude Juncker Interview

'The Demons Haven't Been Banished'

In an interview, Luxembourg prime minister and former Euro Group chief Jean-Claude Juncker, 58, urges other EU countries to push ahead with structural reforms, explains why he sees parallels between 2013 and the year preceding World War I and throws his election support behind Angela Merkel's re-election campaign.

SPIEGEL: Mr. Prime Minister, it has been seven weeks since you stepped down as head of the Euro Group. Do you sometimes wake up in the middle of the night and think: I absolutely have to give another interview on the euro crisis?

Juncker: No, I'm not suffering from withdrawal symptoms. I would say that I have a balanced state of mind. My life is less hectic and I'm calmer and more relaxed.

SPIEGEL: For eight years, you were a kind of informal president of the monetary union. When you take stock of your accomplishments during this period, don't you have to admit that Europe has tended to drift apart rather than become more close-knit?

Juncker: For my generation, the monetary union has always been about forging peace. Today, I notice with a certain sense of regret that far too many Europeans are returning to a regional and national mindset.

SPIEGEL: What do you mean by that?

Juncker: The way some German politicians have lashed out at Greece when the country fell into the crisis has left deep wounds there. I was just as shocked by the banners of protesters in Athens that showed the German chancellor in a Nazi uniform. Sentiments suddenly surfaced that we thought had been finally relegated to the past. The Italian election was also excessively anti-German and thus un-European.

SPIEGEL: You're exaggerating. No one today seriously doubts peace and friendship in Europe.

Juncker: That's true. But anyone who believes that the eternal issue of war and peace in Europe has been permanently laid to rest could be making a monumental error. The demons haven't been banished; they are merely sleeping, as the wars in Bosnia and Kosovo have shown us. I am chilled by the realization of how similar circumstances in Europe in 2013 are to those of 100 years ago.

SPIEGEL: 1913 was the year before the outbreak of World War I. Do you seriously believe that there will be armed conflict in Europe?

Juncker: No, but I see obvious parallels with regard to people's complacency. In 1913, many people believed that they would never again be a war in Europe. The great powers of the Continent were economically so strongly intermeshed that there was the widespread opinion that they could simply no longer afford to engage in military conflicts. Primarily in Western and Northern Europe, there was a complete sense of complacency based on the assumption that peace had been secured forever.

SPIEGEL: The young generation tends to tune out when Brussels politicians lecture them again about the trenches of Verdun.

Juncker: Indeed, we can't completely rely on the aberrations of history to explain today's European necessities. Future-related issues are no less pressing. By the middle of this century, Europe will comprise only a good 7 percent of the world's population. Already today, over 80 percent of economic growth comes from other regions of the globe. A united Europe is our Continent's only chance to avoid falling off the world's radar. The heads of government of Germany, France

and the United Kingdom also know that their voice is only heard internationally because they speak through the megaphone of the European Union.

SPIEGEL: The only problem is that a firm commitment to Europe and the monetary union doesn't pay off politically because it demands unpopular reforms. At the height of the euro crisis, you even said: We heads of government all know what to do, we just don't know how to get reelected when we do it. Does this still hold true?

Juncker: If I were to give a humorous response, I would say today: For a long time, we didn't know what to do, and we still weren't reelected.

SPIEGEL: And what is your serious answer?

Juncker: For starters, we have pushed through a series of far-reaching reforms in Europe. We have kept Greece in the euro zone, introduced bailout mechanisms for the monetary union and established a European banking union. Nevertheless, I am concerned that the temporary calm on the financial markets could weaken the will for renewal. It would send the completely wrong signal if the fear of reforms were to spread throughout Europe again.

SPIEGEL: You are presumably alluding to French President François Hollande.

Juncker: By no means. No one at the Elysée Palace is arguing that France does not need reforms. But the Socialist Party government in Paris objects to demands that it should copy the Agenda 2010 reforms (of the labor market and the welfare system introduced by former German Chancellor Gerhard Schröder one decade ago) -- and rightly so. After all, not everything that works in Germany can be transferred one-to-one to France.

SPIEGEL: Following the recent election in Italy, it's clear that the people of Southern Europe don't approve of your reform initiatives. Doesn't this worry you?

Juncker: The results of the Italian election are widely interpreted as an across-the-board rejection of the euro, but there are also other factors at work here. Beppe Grillo has primarily made a name for himself as a critic of his country's political class, while Silvio Berlusconi has promised to lower taxes. By contrast, the party that ran the most vehemently anti-euro campaign, the Lega Nord, lost many of its voters. Consequently, I don't see the Italian election result as primarily a vote against the euro and the European reform policy.

SPIEGEL: You always have an amazing ability to sugar coat the European plight. The reality is that the big loser of the election was outgoing Italian Prime Minister Mario Monti, whose Europe-friendly course was soundly rejected. Does that spell the end of the reform policy in Italy?

Juncker: That would be a serious mistake. The consequence of the Italian election result cannot be that we suddenly return to the policies that caused this mess. It is not possible to combat the financial and economic crisis by saddling an already heavily indebted state with new debts. There is no getting around a solid budgetary policy.

SPIEGEL: In other words, Italian politicians should pursue a policy that the majority of the population does not support.

Juncker: I'm going to make a bold statement: One shouldn't pursue the wrong policies just because one is afraid of not being reelected. Those who intend to govern have to take responsibility for their countries and for Europe as a whole. This means, if need be, that they have to pursue the right policies, even if many voters think they are the wrong ones.

SPIEGEL: If push comes to shove, politicians should disregard the will of the people. Isn't that a rather odd understanding of democracy?

Juncker: Of course politicians should respect the will of the people as much as possible, provided they adhere to the European treaties. If the Italians intend to roll back the real estate tax, then they will have to come up with some other way of meeting their commitments. In Europe, even more so than in national politics, we have to follow the principle laid down by Martin Luther: Use language that the people will understand, but don't just tell them what they want to hear.

'I Feel Very Close to the Chancellor'

SPIEGEL: You've always been good at giving other people lessons. You like to talk about European responsibility, but when it comes to Luxembourg as a financial center, you vehemently defend national interests.

Juncker: That is grossly incorrect. The truth is that whenever progress has been made in Europe on common tax regulations, it happened under the leadership of Luxembourg -- or, more precisely, under my leadership. On June 24, 1991 -- I was a young finance minister at the time -- at 7:45 p.m., we approved the harmonization of value-added and consumption taxes. In 1997, under my direction, the Economic and Financial Affairs Council (ECOFIN) adopted a European taxation on the interest earned on savings in combination with a code of conduct on business taxation to remove harmful tax competition within the EU.

SPIEGEL: This agreement was only reached after Luxembourg, along with other countries, blocked a harmonization of taxation of savings for years.

Juncker: Correct. But has it never occurred that progress was only possible in Europe after Germany changed its position? Breaking a taboo at home requires careful preparation. It took a great deal of persuasion on my part in Luxembourg to introduce a tax on the interest accrued on savings.

SPIEGEL: Recently, a large number of EU countries, including Germany and France, have come out in favor of introducing a tax on financial transactions. Why has Luxembourg voted against this?

Juncker: I was in principle a supporter of this tax. I was even in favor of only introducing this tax in the euro zone if we failed to convince the remaining EU members. But then a number of euro countries also rejected it, including Ireland, the Netherlands and a few others. It would put Luxembourg at a competitive disadvantage if we nevertheless accepted this tax.

SPIEGEL: After 18 years in office, you will run for the job of prime minister again in next year's general elections in Luxembourg. Why are you making the same mistakes as your political mentor, Helmut Kohl, who missed the ideal moment to make his exit and was voted out of office after leading Germany for 16 years?

Juncker: I have known a great many politicians who have not managed to stay in power for 16 years. I have nevertheless already managed to remain at the helm for 18 years. I still want to achieve a great many things for my country. Experience is not a disadvantage here, especially as the head of government of a small country in a European setting that has become more difficult.

SPIEGEL: Could it be that you see yourself as irreplaceable?

Juncker: In the highest government office, you have to be ready to bow out at any time, otherwise you are not a free individual anymore. It's not as if I don't have a decent profession to fall back on. I am a lawyer, so I see myself as still capable of being reintegrated into society.

SPIEGEL: You are now 58 years old. Would you be tempted by one of the other top EU jobs?

Juncker: No. In 2004, I could have easily become the president of the European Commission since all member states were asking me to take this position. But I had promised the people of Luxembourg that I would remain their head of government.

SPIEGEL: What about succeeding Herman Van Rompuy as the president of the European Council (the powerful body representing the 27 EU leaders)?

Juncker: I told all the heads of state and government who asked me back in 2009 -- and this was a sizable majority -- that I would take the job, and I would have done so, but some people apparently didn't want me ...

SPIEGEL: You are referring to German Chancellor Angela Merkel and then French President Nicolas Sarkozy.

Juncker: Why should I become something today that I could have become in 2009? To be honest, that just seems silly to me.

SPIEGEL: You also announced on a number of occasions that you wanted to step down as head of the Euro Group, but then you extended your tenure in office at the request of the other members.

Juncker: You can consider this carved in stone: I rule out becoming Herman Van Rompuy's successor.

SPIEGEL: This September, general elections will be held in Germany to elect new representatives for the national parliament, the Bundestag. Would you campaign for the conservative Christian Democratic Union (CDU) if you were asked to?

Juncker: I have already been asked, and I have agreed. I recently spoke with the governor of the German state of Saarland to arrange dates for Bundestag election campaign events. I have always campaigned for the CDU, very often together with the chancellor.

SPIEGEL: And what does your friend, SPD chancellor candidate Peer Steinbrück, say about that?

Juncker: I have also often spoken at SPD events and events organized by the Green Party, but I don't intend to endorse the campaigns of the Social Democrats and the Greens.

SPIEGEL: Nevertheless, you are politically much closer to the European policy of the Social Democrats. For instance, you support euro bonds, which are rejected by top CDU politicians.

Juncker: This may sound presumptuous, but it is really up to the CDU and the SPD to position themselves with respect to me. Why do I have to say with whom I have more in common on individual issues?

SPIEGEL: If you are supporting Merkel's CDU campaign, then you also have to endorse the chancellor's policy on Europe.

Juncker: I feel very close to the chancellor and the CDU. But aside from that, I would like to challenge a few preconceptions during the German election campaign. As you know, it is a very widely held view in Germany that only the Germans are committed to the two-pronged approach of solidarity and solidity. I would like to point out that the European Commission has never initiated proceedings against Luxembourg for an excessive budgetary deficit, but it has done so against Germany.

SPIEGEL: During the upcoming election campaign, do you intend to quote Merkel's oft-cited comment: "If the euro fails, Europe fails"?

Juncker: During our religious instruction in school, we always asked: How can one prove the existence of God? And I have learned that the Catholic Church, which is never at a loss for an answer when it comes to existential questions, responds as follows: This question simply does not arise. The question of whether the euro will survive does not arise either and, consequently, I won't even attempt a theoretical answer to your question about the German chancellor's comment.

SPIEGEL: Mr. Prime Minister, we thank you for this interview.

Translated from the German by Paul Cohen

Diário de Notícias - Portugal

Don't underestimate danger of war in Europe

The ex-chief of the Euro Group Jean-Claude Juncker has warned that the economic conflicts in Europe could escalate dangerously: "Those who believe that the eternal question of war and peace is no longer relevant in Europe may be making a huge mistake," he told Germany's *Der Spiegel* magazine. His words should be taken seriously, the liberal-conservative daily Diário de Notícias writes: "This sentence was not spoken by a radical, nor the leader of an underdeveloped country. He doesn't come from Iran. ... The warning may seem melodramatic. But because it comes from someone who has a [good understanding](#) of the reality in Europe and the impact the crisis

has on society the warning should at least provoke concern among EU leaders. Juncker calls on them to be watchful and always aware of the fact that only Europe's unity gives them the power they have in the world. And by the way, history has shown that there are certain signs that should not be ignored." (11/03/2013)

» [full article](#) (external link, Portuguese)

More from the press review on the subject » [Crises / War](#), » [EU Policy](#), » [Fiscal Policy](#),

Language policy

Once they start laughing at you, you're through

Mar 11th 2013, 16:26 by MD | OTTAWA

72,46

It has not been a good couple of weeks for the Office québécois de la langue française, the Quebec government body charged with ensuring that French remains the dominant language in the largely French-speaking Canadian province. Over-zealous application of the law by its inspectors, known in English as the language police, subjected the office to so much international ridicule that on March 8th its head was forced to step down.

It began, as do many things these days, with a tweet. On February 19th, Massimo Lecas, co-owner of an Italian restaurant, Buonanotte, in Montreal, [wrote](#) that he had received a letter from the office warning him that there were too many Italian words (such as "pasta") on his menu. This was a violation of Quebec's [language charter](#), he was told, and if they were not changed to the French equivalents (*pâtes* in the case of pasta) he would face a fine.

Journalists with a sense of the ridiculous quickly piled on. An analysis of international media coverage of Quebec showed the story, quickly dubbed #pastagate on twitter, received [60 times the coverage](#) of a trip by Pauline Marois, the premier, that had been meant to drum up investor interest in the province. Other restaurant owners who had received similar letters—a fish-and-chip-shop owner who was instructed to call his main offering *poisson frits et frites*, a brasserie owner who was [asked](#) to cover the “redial” button on his telephone and the “on/off” button on his microwave—came forward, an indication this was not an isolated incident.

Journalists happily uncovered more extreme examples, such as the owner of a sex shop who [tussled with inspectors over the English-only instructions on a sex aid](#). She offered to translate the safety instructions into French and place a sticker over the English warning, but this did not satisfy the inspectors. The case went to all the way to the Superior Court of Justice. (I wonder if the lawyers were able to keep a straight face.) The owner ended up with a C\$500 fine.

There is of course a serious issue behind the work of the inspectors. Much to Quebec's credit, French is alive and well there, even though the province's 7.4m French-speakers ([94% of Quebec's population](#)) are barraged with English from the rest of Canada and from the United States. It's not easy for the government to find the right balance between preserving French and making peace with a world where English is the language of business. What makes the job harder is that the guardians of French also want to keep out foreign words, whereas English tends to appropriate them. Language is of course also a deeply political issue in Quebec, a former French colony conquered by Britain before it became part of Canada. The current Parti Québécois (PQ) government wants to make the province an independent country.

Diane de Courcy, the Quebec minister responsible for language, tried at first to shrug off the pasta stories, saying she was satisfied with the work of the inspectors. When the bad publicity persisted, [she announced a review](#) of that particular case. The PQ government is currently attempting to toughen language laws, and pastagate was becoming a distraction. But by March 8th it was clear something more was needed. Quebec was the butt of too many jokes. Ms de Courcy announced that Louise Marchand, president and director-general of the language police, was [leaving her post](#) effective immediately. Apparently the move was made at Ms Marchand's request. It is generally the case with figures of authority that when the masses start laughing at you, you are through.

Sense And Nonsense



72,47

Select examples of what the title suggests, courtesy of Edelweiss Holdings

“Devaluing a currency,’ one senior Federal Reserve official once told me, ‘is like peeing in bed. It feels good at first, but pretty soon it becomes a real mess.’”

—Francesco Guerrera, The Wall Street Journal, 4 Feb 2013.

“Any perception of our wavering in our commitment to sound money would undermine our ability to sustain stimulus.”

—Headline on 26 February 2013 quoting Bank of England’s Paul Tucker. We suspect that what he meant was that fraud only works for the fraudster so long as victims don’t see they are being defrauded.

“Being downgraded by Moody’s is like being called a moron by a moron.”

—Tim Price, “End of Empire,” 25 Feb 2013.

“Understanding that in a market economy a person can only get rich by enriching others torpedoes claims to the moral high ground of those who propose that government redistribution of wealth is a means to alleviate poverty.”

—Manuel F. Ayau, *Not a Zero-Sum Game: The Paradox of Exchange* (2007).

“I abandoned free market principles to save the free market system.”

—George W. Bush, interviewed on CNN on 16 December 2008.

“Somebody like Paul Krugman, who’s overdosed on mathematics and uses the King’s English better than practically anyone alive is very dangerous.”

—Charlie Munger, Daily Journal Corp Annual Meeting, 6 Feb 2013.

“It is easy to make a buck. It’s a lot tougher to make a difference.”

—Tom Brokaw

“It is more than passing curious that those in the university community who are most heavily addicted to diversity cannot tolerate it when it comes to divergence of opinions, conclusions, public policy prescriptions, etc.”

—Walter Block, *Building Blocks for Liberty* (2006).

“There’s all kinds of myths and pseudoscience all over the place. I may be quite wrong, maybe they do know all these things, but I don’t think I’m wrong. You see, I have the advantage of having found out how hard it is to get to really know something, how careful you have to be about checking the experiments, how easy it is to make mistakes and fool yourself. I know what it means to know something, and therefore I see how they get their information and I can’t believe that they know it. They haven’t done the work necessary, haven’t done the checks necessary, haven’t taken the care necessary. I have a great suspicion that they don’t know, that this stuff is [wrong] and that they’re intimidating people.”

—Richard P. Feynman, *The Pleasure of Finding Things Out* (1999).

“The euro should not fluctuate according to the mood of the markets. A monetary zone must have an exchange rate policy. If not, it will be subjected to an exchange rate that does not reflect the real state of the economy.”

—French President François Hollande to the European Parliament, 5 February 2013.

“We all know what to do, we just don’t know how to get re-elected after we have done it.”

—Jean-Claude Juncker, prime minister of Luxembourg, in a moment of candor. Quoted in *The Economist*, 15 Mar 2007, and worth pondering when politicians wonder why no one trusts them.

[Home](#)

40% Of Germans 40-49 Just Say "Nein" To Euro

Submitted by [Tyler Durden](#) on 03/11/2013 12:02 -0400

72,49

In news that is hardly welcome to Chancellor Merkel and her September reelection hopes, German Focus magazine revealed that a substantial 26% of all Germans would back a party that wants to quit the euro. **Even more disturbing is that a whopping 40% of all Germans in the prime 40-49 age group are tired of supporting a failed monetary regime and will just say "nein" to the European globalist experiment at preserving the status quo if just given the opportunity.** The Italian virus is spreading: the question is which "clown" will show up on the cover of the Economist in six short months, when at least one person will appear on the political scene to take advantage of the populist protest at endless German-backed bail outs, and what as Dylan Grice so eloquently explained earlier, is merely a reaction to central banker central planning manifesting itself in ongoing social breakdown.

From [Reuters](#):

One in four Germans would be ready to vote in September's federal election for a party that wants to quit the euro, according to an opinion poll published on Monday that highlights German unease over the costs of the euro zone crisis.

Germany's mainstream parties remain solidly pro-euro despite grumbling over bailouts of countries such as Greece. A German taboo on nationalism, rooted in atonement for the crimes of the Nazi era, has helped to muffle eurosceptic voices.

But the poll conducted by TNS-Emnid for the weekly Focus magazine showed 26 percent of Germans would consider backing a party that wanted to take Germany out of the euro and as many as four in 10 Germans in the 40-49 age bracket would do so.

"This suggests there may be potential here for a new protest party," Emnid chief Klaus Peter Schoeppner told Focus.

The survey canvassed the views of a representative sample of 1,007 people on March 6-7.

Who will be the new German leader to appear from the ashes of populist anger? For now the answer is unclear:

A new eurosceptic movement called 'Alternative for Germany' (AfD) comprising mostly academics and business people is due to hold its first meeting later on Monday in a northern suburb of Frankfurt.

One of its founders, economics professor Bernd Lucke, told Focus he had no concern that it would be able to raise the required 2,000 signatures in each German region to take part in September's federal election.

AfD's website www.alternativefuer.de has been live since late last week and its Twitter account (@wahlalternativ1) counts 690 followers.

"Let's put an end to this euro!" is the message on the front page of its website.

"The Federal Republic of Germany is in the deepest crisis in its history. The introduction of the euro was a fatal mistake that is threatening our prosperity. The old parties are grizzled and worn out. They are stubbornly refusing to admit their mistake and correct it," it said.

And while it is unknown if Bernd Lucke or any of his peers will be the new "face" of German populist anger, one thing is certain: in Germany someone always appears in key historic moments to provide the angry masses just the conduit they desire. Whether it will also lead to preserving the European peace, the European welfare state, and preserving a banker oligarchy-enriching status quo, that we sadly can not say.

Debate: Europe has lost its citizens

11 March 2013

72,51

[El País](#) Madrid



Len

The latest Eurobarometer figures are showing clearly what the election results have been hinting at one by one: hit by the crisis, Europeans have lost their confidence in the EU. After having saved the euro, we must rescue the legitimacy of the EU – and before the 2014 elections.

[José Ignacio Torreblanca](#)



To be saved, the euro needed two things: an unambiguous political decision that would put an end to speculation about its future and a financial instrument that would make that promise credible.

In 2012, after several years of hesitation, blunders and errors, [the European leaders have done both those things](#). The euro has been plucked back from the edge of the cliff and set down on a stable path that had been unknown in recent years.

The very limited outwards ripple of the post-election chaos in Italy speaks of the strength the euro has gained, at least temporarily. Looking back, the shock brought about in October 2011 by the decision of [George Papandreou](#) to call a referendum to validate or reject the adjustment policies dictated by the Troika sent some of the indices of uncertainty managed by financial analysts rocketing to levels higher than those that followed the September 11 attacks in the United States. Italy is, no doubt, in a mess. The euro, though, is holding fast, at least for now.

While showing the strength of the euro, the results in Italy, however, also point to the political weakness of Europe and signal a crisis of legitimacy that is becoming ever more obvious, and ever more dangerous, from election to election. The data of the [Eurobarometer](#) opinion poll, which the European Commission carries out

twice a year, clearly shows just how far [the crisis has battered the confidence of the citizens in the European Union](#).

Spectacular crash and burn

In countries like Spain, the “net” confidence in the EU (a measure that subtracts the percentage of doubters from the percentage of the faithful) was, in 2007, before the crisis began, at 42 points (65 per cent of those who had trust minus the 23 per cent who did not). Today, however, that has been turned upside down into a net mistrust of 52 points (72 per cent express mistrust, while just 20 per cent still have faith). It's been a spectacular crash and burn.

This run from 42 points ahead to 52 points behind should make us reflect deeply, especially in such a traditionally pro-European country like Spain. In Greece, Ireland, Portugal, Ireland, and Cyprus, the EU is viewed with a distrust as overwhelming as we see in Spain. Significantly, however, the leap of distrust in the EU is taking place not only in the debtor countries, but in the creditor countries, or those financially better off: the people of Germany, Austria, France, the Netherlands and Finland have also lost their trust in the EU. Clearly, the distrust is not just directed at the EU, but at other countries of the EU and their citizens. As things stand, everyone is coming out a loser, it seems.

What is facing us, therefore, is a grave problem of legitimacy. In Europe, where a collective identity, shared values and democratic procedures are still very much in their infancy, legitimacy has come mostly from economic performance: higher economic growth leads to greater public support for European integration, and vice versa. That means that the reserve of legitimacy, in being almost exclusively associated with economic growth, is weak and tends to drain away quickly in a crisis.

‘Interwoven disaffection and distrust’

That is what we are living through now. On one hand, although the austerity policies may be succeeding in controlling deficits (though not in reducing debt), they are producing neither jobs nor growth, and so are failing to generate the support from the public that they need to sustain themselves. What's worse, forcing governments to systematically violate their election promises and to push through the same policies regardless of their political colouration also undermines the legitimacy of the national political institutions. As witnessed in the countries that saw intervention, political systems are wearing out (as in Spain and Portugal) or breaking down (as in Greece and Italy). Meanwhile, on the other hand, the dominant mood in the creditor countries, where there is no economic growth either, is that the countries of the south are a heavy burden, eating up scarce resources and dragging down their own progress.

It is with this interwoven disaffection and distrust, so sharply deteriorated, that the EU must complete an indispensable political and economic integration. The euro has been saved, but it will not survive over the long term without a banking union that includes crisis resolution mechanisms and pan-European deposit insurance. Nor will it survive without a budget worthy of the name, pooling of debt and a much more effective coordination of economic policies.

But those decisions require exactly what Europe is lacking today: confidence in the EU and mutual trust. To make Europe work, its citizens, from north and south, from creditor countries and debtor states, from the centre and from the periphery, must be willing to provide the European institutions with adequate financial instruments and, at the same time, with government agencies that are both effective and have democratic legitimacy. But for the taxes of a German to support the savings of a Spaniard and for the taxes of a Spanish saver to back up the savings of a Greek or Portuguese person, we need a confidence in Europe that we are currently lacking.

In June 2014, in just over a year, Europe's citizens will be called to the polls. If the citizens' confidence in the EU is not restored by then, we may be in for a rather unpleasant surprise. Saving the euro was essential; but the euro is a means, not an end. The end is the citizens: a euro without them does not make much sense.

Politthriller „Das System“ im ZDF

Das widerstandsfähige Gespenst

11.03.2013 · Alte Agenten auf neuen Golfplätzen: Marc Bauders Spielfilm „Das System“ erzählt, wie die DDR unterging, ihre Gewohnheiten und die Erinnerung an das Land aber geblieben sind.

Von Stefan Schulz

72,53



© ZDF Ostalgie am Ostseestrand: Mike (Jacob Matschenz) versteht die Welt nicht mehr

Die Geschichte - um nichts weniger geht es hier - beginnt harmlos. Zwei Jugendliche brechen in ein Haus ein, das sich als Ziel lohnt. Die Teppiche und Möbel sehen wertvoll aus, Golfschläger stehen im Wohnzimmer neben Glastischen, und eine riesige Fensterfront gibt den Blick auf den Garten frei. Hier wohnt offenbar jemand, der bei all dem Luxus kleine Diebstähle womöglich gar nicht bemerkt.

Doch die beiden Einbrecher, Mike (Jacob Matschenz) und sein bester Kumpel Dustin (Florian Renner), kommen gar nicht dazu, sich ihre Taschen vollzustopfen. Vielleicht wollten sie das auch gar nicht. Die beiden wohnen im tristen Rostock, in ihrer Freizeit langweilen sie sich auf dem Dach ihrer ostdeutschen Plattenbausiedlung. Bereicherung ist für sie eigentlich gar keine Kategorie, dafür müssten sie erst einmal wissen, was sie überhaupt wollen. Eher suchen die beiden das kleine Abenteuer im Alltag, die Flucht. Als plötzlich der Hauseigentümer Konrad Böhm (Bernhard Schütz) hinter ihnen im Wohnzimmer steht, erleben sie es, zumindest für einen kurzen Moment. Sie stürmen erschrocken, aber euphorisch davon.

Der zurückbleibende Böhm schaut beiden eher verwundert als verstört nach, scheint gar zu grübeln. Er wurde überrascht, wovon aber, zeigt sich erst in der nächsten Szene. Er spürt Mike am Morgen danach auf, folgt ihm in seinem dunklen Mercedes und bittet ihn einzusteigen. Böhm hatte Mike am Abend wiedererkannt, aus einer früheren Zeit, als Mikes Vater so aussah, wie der Junge heute. Dass seitdem mehr als zwanzig Jahre vergangen sind, spielt vom Moment an, in dem beide nebeneinander im Wagen sitzen, keine Rolle mehr. Geld, eine Waffe, ein Anzug - Mike ist plötzlich ausgerüstet wie sein Vater es früher war. Doch nur nach und nach bekommt Mike die Antworten auf all die neuen Fragen, die er bislang weder sich noch seiner Mutter (Jenny Schily) gestellt hatte.

Hochkompatibel mit dem Kapitalismus

Mit ihr führte er bis dahin ein mühsames, aber nach vorn gerichtetes Leben, das plötzlich immer weniger Sinn hat, desto mehr Mike mit Böhm in die Vergangenheit reist. Böhm erzählt nicht nur davon, er durchlebt mit Mike die Arbeit dessen Vaters in der „KoKo“, dem Bereich Kommerzielle Koordinierung, in dem Agenten Devisen für die DDR beschafften. Im Hotel Neptun, auf Golfplätzen und bei vielen Autofahrten ist Mike mit dabei, wenn Böhm für die blühenden Landschaften arbeitet und sich mit Erpressung und Bestechung Teile des Pipelinegeschäfts unter den Nagel reißt. Er habe schon immer für die Globalisierung gearbeitet und zeigt sich stolz, dass er nicht zu den Verlierern der Wende gehört. Mike weiß gar nicht, wie ihm geschieht: Als persönlicher Assistent wird er den ungewöhnlichen Geschäftspartnern vorgestellt. Gäbe es jemanden, der nach eigener Diktion Akten darüber führte, wäre er längst inoffizieller Mitarbeiter einer Regional-Mafia, die ohne große historische Verzerrung als Nachfolgeorganisation der Staatssicherheit zu bezeichnen wäre.

Das Thema des Films ist die DDR, aber es geht nicht um das Land, sondern dem Namen nach um „das System“, das sich als hochkompatibel mit dem Kapitalismus entpuppt und das so wenig verschwand wie die Menschen, die es betrieben. Die Bildersprache von Daniela Knapp ist für die Erzählung ebenso bedeutend wie das Schauspiel, angeleitet von Marc Bauder (Regie), Dörte Franke und Khyana el Bitar (beide Drehbuch). Die vorausseilende Warnung, das Gezeigte sei Fiktion, gehört zum Spiel.

Das System - Alles verstehen heißt alles verzeihen läuft um 0.05 Uhr in der Nacht zum Dienstag, 12. März, im ZDF.

Greek Talks With Lenders Drag On

By [NEKTARIA](#)

[STAhttp://online.wsj.com/article/SB10001424127887323826704578352403026317688.html](http://online.wsj.com/article/SB10001424127887323826704578352403026317688.html)

[MOULI](#) And [STELIOS BOURAS](#)

ATHENS—Talks between Greece and a delegation of international inspectors are set to enter a second week after bogging down in a spat over public-sector layoffs, setting back government hopes for a speedy review of its reform program.

Government officials signaled on Sunday that representatives from the European Commission, European Central Bank and International Monetary Fund, known as the troika, were expected to stay in the Greek capital for several more days to discuss plans to shrink Greece's bureaucracy. Up for discussion as well were technical issues relating to unpaid government arrears and a new debt-relief plan for overindebted households.

"Our desire, and theirs too, is that over the next two days we will speed up the process and start to close chapters," said a senior finance-ministry official following a meeting with troika officials on Sunday afternoon. "We did not close anything today. The talks continue."

The heads of the troika delegation first arrived in Athens last Sunday in what was expected to be a one-week long review of Greece's austerity and reform program before deciding whether to approve the next slice of aid from the country's €173 billion (about \$225 billion) bailout. Greece is seen as having made progress in recent months, and euro-zone ministers earlier this month approved a €2.8 billion aid disbursement to the country after noting that Athens had gone beyond its obligations to bring its public finances under control.

But the public-sector restructuring issue has become a test of wills between the troika and successive Greek governments. Under the terms of the latest bailout agreement, Greece has agreed to place some 25,000 public workers this year in a labor reserve pool. There they will be paid 75% of their wages until they are transferred to another position. If another job isn't found within a year, they will be dismissed.

The plan is part of a broader commitment by Greece to reduce its public work force by at least 150,000 workers by the end 2015. Greece is on track to meet that target through attrition but, in a country where the security of a government job has long been considered inviolable, the government has yet to actively sack anyone. A previous labor-reserve plan in 2011 largely failed; this time around, the government missed its end-of-February target to present a detailed staffing plan to the troika.

The fiscal benefits of the labor reserve are small, say economists, particularly compared with the austerity measures already imposed. Instead, the issue has become symbolic of the unwillingness of Greek political leaders to take the tough decisions that could alienate a key constituency.

"What the troika wants to be sure about is whether the government is willing to start managing the public sector," said Panagiotis Petrakis, an economics professor at the University of Athens. "After all, the shrinkage of the public sector by itself is not helping it become better."

The issue has become a hot potato for Greece's three-way coalition government—the conservative New Democracy, center-left Socialist and Democratic Left parties. Both the Socialist and the Democratic Left parties have refused to countenance widespread layoffs in the public sector, which they say will weigh on Greece's already ballooning unemployment rate, now above 26%.

But political analysts say Prime Minister Antonis Samaras is considering a cabinet shake-up in the near future, with an aim to replacing underperforming ministers. There is widespread speculation that Public Administration Minister Antonis Maniatis—appointed by the Democratic Left party—could be among those replaced.

According to interior-ministry officials, 1,892 public workers have so far been placed in the labor reserve and will be moved to new positions by the end of the year. Another 12,500 positions will be identified by the middle of the year, as required under the bailout, and another 892 public workers have been placed on administrative leave after being charged with offenses that constitute a dereliction of duty.

The ministry is also hoping to sort through cases of another 7,000 public workers who could be placed on administrative leave due to past violations—some for alleged felony offenses. A review of those cases has been stalled for months amid a resistance in the Greek bureaucracy to convene the disciplinary councils needed to adjudicate those cases.

According to Greek government officials, the troika has demanded a concrete timeline for resolving those cases before concluding its review.

In Search of Energy Miracles

By [JUSTIN GILLIS](#)



Xinhua/Tan Jin, via Associated Press

A nuclear plant under construction in Haiyan County, in eastern China, in 2006. China is racing to develop nuclear energy using an abundant element called thorium.

At a legendary but secretive laboratory in California, Lockheed Martin is working on a plan that some employees hope might transform the world's energy system: a practicable type of nuclear fusion.

Some 900 miles to the north, Bill Gates and another Microsoft veteran, Nathan Myhrvold, have poured millions into a company developing a fission reactor that could run on today's nuclear waste.

And on the far side of the world, China has seized on discarded American research to pursue a safer reactor based on an abundant element called thorium.

Beyond the question of whether they will work, these ambitious schemes pose a larger issue: How much faith should we, as a society, put in the idea of a big technological fix to save the world from [climate change](#)?

A lot of smart people are coming to see the energy problem as the defining challenge of the 21st century. We have to supply power and transportation to an eventual population of 10 billion people who deserve decent lives, and we have to do it while limiting the emissions that threaten our collective future.

Yet we have [already poured](#) so much carbon dioxide, the main greenhouse gas, into the atmosphere that huge, threatening changes to the world's climate appear to be inevitable. And instead of slowing down, emissions are speeding up as billions of once-destitute people claw their way out of poverty, powered by fossil fuels.

Many environmentalists believe that wind and [solar power](#) can be scaled to meet the rising demand, especially if coupled with aggressive efforts to cut waste. But a lot of energy analysts have crunched the numbers and concluded that today's renewables, important as they are, cannot get us even halfway there.

"We need energy miracles," Mr. Gates said in a [speech](#) three years ago introducing his approach, embodied in a company called [TerraPower](#).

A variety of new technologies might help. Bright young folks in American universities are working on better ways to store electricity, which could solve many of the problems associated with renewable power. Work has even begun on futuristic technologies that might cheaply pull carbon dioxide out of the air.

But because of the pressing need for thousands of large generating stations that emit no carbon dioxide while providing electricity day and night, many technologists keep returning to potential improvements in nuclear power.

After all, despite its many problems, it is the one low-carbon energy source that we know can work on a very large scale. France gets 80 percent of its electricity from nuclear reactors.

Perhaps Mr. Gates can find a way forward. He is the world's second-richest man and surely the premier American technologist of the era, following the death of Steve Jobs.

His partner in TerraPower is [Mr. Myhrvold](#), the former chief technology officer at Microsoft. Adept in geophysics, space physics, mathematics, economics, paleontology and gastronomy, Mr. Myhrvold is the man behind a \$600 cookbook called "[Modernist Cuisine](#)" and a slew of other wildly inventive projects.

Their plan is to build something called a [traveling wave reactor](#). In principle, it could operate safely for a half-century or more without refueling, and could run on material that has been discarded from today's reactors as hazardous waste, solving several problems at once.

They have persuaded an energy veteran, [John Gilleland](#), to run the company; he employs about 60 people and is laying plans to build a prototype reactor.

"We sensed that nuclear had not been pushed in an innovative sense for some time," Mr. Gilleland said. "No one had taken 21st-century technology and modeling capabilities and just sort of started over."

Their method, like that of existing reactors, is based on [fission](#), or splitting heavy atoms, then using the resulting heat to spin turbines and make electricity.

Lockheed Martin is pursuing a more difficult course: [fusion](#). It involves fusing hydrogen variants into heavier elements, similar to the reaction that powers the sun.

The company will not say much about the program under way at its legendary [Skunk Works](#) facility in California, which developed the U-2 spy plane. But in [a videotaped speech](#) this year, a leader of the program, [Charles Chase](#), suggested it was aiming for small, modular fusion reactors that could be built in factories.

Mr. Chase and his colleagues face long odds: 60 years of research on fusion has produced more disappointment than progress. "There's really only one guarantee, and that's if we don't try, nothing is going to happen," Mr. Chase said in his talk.

Among the new nuclear approaches, fission reactors based on [thorium](#) are especially intriguing, offering potentially huge safety advantages. The basic concepts were proved in research by the American nuclear establishment in the 1960s, but the idea was ultimately abandoned by the Nixon administration in favor of a riskier approach called breeder reactors, which turned into an \$8 billion black hole.

An engineer in Alabama, [Kirk Sorensen](#), has helped excavate the [old thorium work](#) and founded his own tiny company, [Flibe Energy](#), to push it forward. But it will surprise no one to hear that China is ahead of the United States on this, with hundreds of engineers [working on thorium reactors](#).

"They're doing laps around the track, and we haven't even decided if we're going to lace up our shoes," Mr. Sorensen said.

Yet not even the speedy Chinese are likely to get a sizable reactor built before the 2020s, and that is true for the other nuclear projects as well. So even if these technologies prove to work, it would not be surprising to see the

timeline for widespread deployment slip to the 2030s or the 2040s. And climate scientists tell us it would be folly to wait that long to start tackling the emissions problem.

Two approaches to the issue — spending money on the technologies we have now, or investing in future breakthroughs — are sometimes portrayed as conflicting. In reality, that is a false dichotomy. The smartest experts say we have to pursue both tracks at once, and much more aggressively than we have been doing.

An ambitious national climate policy, anchored by a stiff price on carbon dioxide emissions, would serve both goals at once. In the short run, it would hasten a trend of supplanting coal-burning power plants with natural gas plants, which emit less carbon dioxide. It would drive investment into current low-carbon technologies like wind and solar power that, while not efficient enough, are steadily improving.

And it would also raise the economic rewards for developing new technologies that could disrupt and displace the ones of today. These might be new-age nuclear reactors, vastly improved solar cells, or something entirely unforeseen.

In effect, our national policy now is to sit on our hands hoping for energy miracles, without doing much to call them forth. While we dawdle, maybe the Chinese will develop a nice business selling us thorium reactors based on our old designs. For communists, they do have an entrepreneurial bent.

But surely we would all feel better about the future if the full creative power of American capitalism were unleashed on the climate problem.

This week Justin Gillis, an environment reporter at The Times, begins a monthly column exploring the challenges posed by climate change.

Energiepolitik Fracksausen vor dem Fracking

11.03.2013 · Deutschland sitzt auf einem großen Gasschatz in tief liegendem Gestein. Um es ans Tageslicht zu befördern, muss das Gestein „gefrackt“ werden. Viele Bürger machen sich Sorgen. Doch es wäre töricht, aus purer Angst vor jedem Risiko, diesen Schatz nicht zu heben. Eine Analyse.

Von [Andreas Mihm](#)

71,60



© dpa Ein Bohrfeld im niedersächsischen Böttersen bei Rotenburg-Wümme. Auf der Suche nach Erdgas setzt das Unternehmen ExxonMobil hier die umstrittene Frackingmethode ein.

Die an Anglizismen nicht arme deutsche Sprache hat sich einen neuen Begriff aus der Neuen Welt einverleibt: das Fracking. Das Wort ist nicht elegant, es klingt vielmehr vulgär und aggressiv. Es zwingt den Sprecher, die Mundwinkel auseinanderzuziehen und sein Gebiss zu zeigen. Wie ein Raubtier auf dem Sprung. Fracking ist auch keine schöne Sache. Es ist zerstörerisch. Denn beim „Fracturing“ geht es im geologischen Wortsinn um das Aufbrechen von Gestein. Das darin gebundene Öl oder Gas soll ans Tageslicht befördert werden.

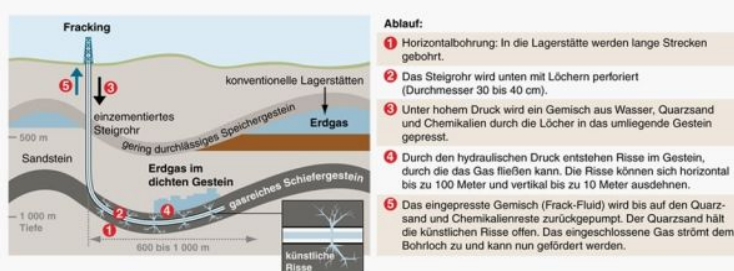
Gefrackt wird zwar meist ein paar tausend Meter tief im Untergrund, für das menschliche Auge verborgen. Doch das hindert die Leute nicht, sich über die Folgen Sorgen zu machen. Denn um das tiefliegende Gestein zu erreichen, müssen Trinkwasserschichten durchstoßen werden. Große Mengen von Wasser, Chemikalien und Sand werden verpresst, damit das gebrochene Gestein sich nicht wieder zusammenfügt und dem Gas den Weg verbaut. Nicht zuletzt sind viele Bohrungen nötig, um den Rohstoff aus dem Boden zu brechen.

In Trinkwasserschutzgebieten soll das Bohrverfahren verboten werden

Nun bergen Bürger, die sich in ihren Ängsten nicht ernst genommen fühlen, gerade vor einer Wahl Gefahren für Politiker. Das erklärt, weshalb Bundesumweltminister Peter Altmaier (CDU) und Wirtschaftsminister Philipp Rösler (FDP) kurz vor Gesetzgebungsschluss noch einen Vorschlag gemacht haben, der dem Fracking seine Scheußlichkeit nehmen soll. Dabei ist der Gehalt ihrer umweltschützerischen Ankündigungen dünner, als es das Papier nahelegt, auf dem sie gedruckt sind. In Trinkwasserschutzgebieten, 15 Prozent der Fläche, soll das Bohrverfahren verboten werden. In jedem anderen Fall, das ist neu, werden umfassende Umweltverträglichkeitsprüfungen verlangt. Dazu gehört, Anwohner besser einzubeziehen.

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

© dpa

Das ist wenig mehr, als die Gesetzeslage heute schon vorschreibt: Vorrang für den Wasserschutz, weitgehende Nutzungsverbote sowie Genehmigungsvorbehalte in Trinkwasserschutzzonen und Heilwasserquellgebieten. Was bislang im Landesrecht kodifiziert war, soll nun bundesrechtlich abgesichert werden.

Kritiker verweisen auf haarsträubende Fälle in Amerika

Wie sich zeigt, ist es um den Schutz von Grund und Boden hierzulande offenbar nicht so schlecht bestellt, wie es mancher Kritiker mit Verweis auf haarsträubende Fälle aus Amerika glauben machen will. Nicht zuletzt die bisher 300 unproblematisch niedergebrachten Fracking-Bohrungen der vergangenen Jahrzehnte belegen ein effektives System der Kontrolle und Unfallvermeidung.

So haben Altmaier und Rösler einen typischen politischen Kompromiss erarbeitet: Ihre Verordnung legt vordergründig den Streit in der Koalition und zwischen Umwelt- sowie Wirtschaftspolitikern über das Bohren nach sowie Fördern von „unkonventionellem Gas“ bei und setzt die Opposition im Bundesrat unter Handlungsdruck und Entscheidungszwang. Verweigern Rote und Grüne die Zustimmung, dann sind sie eben schuld, dass das Wasserrecht bleibt, wie es ist.

Vor allem in Norddeutschland werden große Gasreserven vermutet

Sie müssen nun die Vor- und Nachteile einer Blockadehaltung im Bundesrat abwägen. Hier kommen neben Umwelt- und parteitaktischen Gesichtspunkten auch ökonomische Argumente ins Spiel. Zumindest ist auffällig, wie viel ökonomischen Realismus die das rot-grüne Gespann in Düsseldorf führende SPD in Energie- und Umweltfragen offenbart, ganz im Gegensatz zu manchen Äußerungen auf Bundesebene, die eher von der Lust an der Opposition getragen scheinen.

Denn die wirtschaftlichen Effekte einer Gewinnung von unkonventionellem Öl und vor allem Gas könnten auch in Deutschland beachtlich sein. Die Bundesanstalt für Geowissenschaften und Rohstoffe schätzt die vor allem in Norddeutschland vermuteten Gasreserven auf sieben bis 22 Billionen Kubikmeter. Selbst wenn davon nur ein Zehntel gefördert würde, könnte das reichen, die deutsche Gasnachfrage auf Jahre zu decken.

Das zeigt, welches Potential dieser heimische Rohstoff hat: Er kann angesichts schnell sich erschöpfender konventioneller Quellen die Versorgungssicherheit stärken, die Abhängigkeit von Lieferungen etwa aus Russland reduzieren, eine weitgehend umweltschonende Förderung sicherstellen, heimische Wertschöpfung generieren und mit Hilfe des kohlendioxidarmen Energieträgers Gas noch einen Beitrag zum Klimaschutz leisten. Auch könnten sich die Förderländer auf anhaltend hohe Einnahmen durch Konzessionsabgaben einstellen.

Man muss bei der Gewinnung von Schiefergas keinen „amerikanischen Traum“ träumen, von purzelnden Gas- und Strompreisen und einem dadurch ausgelösten neuen Schub für alte Industrien. Die Lage ist nicht vergleichbar. Deutschland ist viel dichter besiedelt, der Umweltschutz wird hier zu Recht höher als anderswo gehalten. Aber es wäre töricht, aus purer Angst vor jedem Risiko darauf zu verzichten, diesen immensen volkswirtschaftlichen Schatz zu heben. Wären unsere Vorfahren ähnlich skrupulös gewesen, so weideten bis heute nur Kühe und Schafe an Emscher und Ruhr, wo seit nunmehr 150 Jahren Kohle und Stahl die Menschen stolz und das Land wohlhabend gemacht haben.

Quelle: F.A.Z.

Philippe Villin : “Sortir de l’euro, non ! Le faire exploser, oui !”

Entretien. Pour Philippe Villin, ancien inspecteur des finances et ex-directeur du Figaro devenu banquier d'affaires, le résultat du scrutin italien signe l'échec de la politique de Mario Monti et un refus de l'euro.

Pour retrouver une compétitivité face à une Allemagne toute-puissante et s'engager sur la voie de la croissance, dit Philippe Villin, les pays de l'Europe du Sud, y compris la France, doivent initier de profondes réformes structurelles et surtout sortir du carcan de l'euro en le faisant exploser. Démonstration.

Comme interprétez-vous le résultat des élections italiennes ?

Il montre un rejet de Mario Monti et de sa politique déflationniste. Les élites européennes le considéraient pourtant comme porteur de la quintessence du bonheur en Europe et leur sauveur face à l'échec pourtant patent de l'euro... Je l'ai toujours considéré au contraire comme un technocrate, aux ordres de madame Merkel et de monsieur Trichet. Je suis donc ravi que les Italiens l'aient désavoué : sa politique et son incapacité à rendre l'Italie compétitive rapidement ne pouvaient conduire qu'à sa ruine. L'ancien chef du gouvernement italien avait pourtant entrepris des réformes... Ce ne sont pas ces réformes, qui allaient dans le bon sens, que je mets en cause, mais le choix de la déflation. En réduisant trop brutalement les dépenses publiques — alors qu'il aurait fallu faire des réformes de structure plus profondes mais plus étalées —, en augmentant trop les impôts, en cassant l'économie souterraine (pour des motifs purement moraux), Mario Monti a plongé son pays dans la récession- déflation entraînant une explosion du chômage. En Diafoirus de la médecine allemande, il avait prodigué à son pays le même traitement diabolique que celui appliqué à la Grèce, au Portugal, à l'Espagne et maintenant à la France, c'est-à-dire une augmentation massive des impôts et une tentative de baisser les salaires. Il aurait dû faire des réformes structurelles, n'augmenter les impôts qu'à la marge et surtout dévaluer. Mais il eût fallu bien sûr pour cela que l'euro explose. En effet, l'euro est devenu intolérable pour les Italiens comme pour les Français tandis qu'il fait “crever la gueule ouverte” la Grèce et le Portugal et mourir à petit feu l'Espagne. Car il est à la fois trop fort vis-à-vis du reste du monde et, à l'intérieur de la zone euro, le taux de change unique qu'il impose rend impossible toute dévaluation vis-à-vis de la zone rhénane, la zone la plus productive d'Europe. L'Italie aurait ainsi besoin d'une dévaluation externe d'au moins 30 % par rapport au dollar et encore bien supérieure par rapport à l'Allemagne.

Comment jugez-vous la classe politique française face à l'euro ?

Qu'elle soit de droite ou de gauche, je regrette son aveuglement : nous avons affaire à des représentants de la pensée unique, sortis pour la plupart de l'Ena et nourris à un “delorisme” médiocre. Que ce soit le gouvernement de François Fillon pendant cinq ans ou celui de Jean-Marc Ayrault depuis bientôt un an, tous deux appliquent la même politique, avec simplement un peu plus de professeurs et un peu plus de médiocrité pour le second. Parce qu'il n'y a pas de réformes structurelles, ni de chasse aux dépenses publiques inutiles, et que le credo européen — l'euro doit exister même s'il nous tue — est inlassablement répété. La croissance française est cassée. Car elle ne peut se poser que sur une compétitivité retrouvée par une monnaie nationale correspondant à notre niveau de productivité et une bien meilleure gestion du secteur public.

Que préconisez-vous ?

Il ne s'agit pas de sortir de l'euro mais de le faire exploser ! Ainsi notre capacité à exporter hors de l'Europe serait retrouvée. Car, le “nouveau nouveau franc” vaudrait probablement 105 à 115 cents le dollar. Une dévaluation externe modérée mais efficace. L'impact serait immédiat, à la différence de la dévaluation interne par la baisse des salaires qu'on tente de nous imposer. Mais l'effet principal incroyablement efficace serait vis-à-vis de l'Allemagne. Car le mark vaudrait probablement 160 à 170 cents le dollar. Nos produits se vendraient là-bas tout de suite et nous importerions moins d'outre-Rhin.

Imaginons que l'éclatement de l'euro se fasse plutôt par une sortie de l'Allemagne...

Ce serait une solution bancaire. On aurait un euro trop faible pour la France. Il vaudrait probablement 90 cents face au dollar, ce qui est trop bas pour nous et trop haut pour l'Europe du Sud.

D'où viendra l'élément déclencheur de l'explosion de l'euro ?

Faudra-t-il un jour qu'un dirigeant d'Europe du Sud soit assassiné par un chômeur ou un entrepreneur ruiné pour que les autres se rendent compte qu'ils conduisent l'Europe vers l'abîme ? Faudra-t-il que le taux de chômage des jeunes en Espagne atteigne 80 % pour que la population comprenne que monsieur Rajoy l'emmène à sa perte ? Je pense en fait que le craquement viendra de la France : le gouvernement Ayrault est en situation d'échec dans tous les domaines. Le président de la République perd peu à peu la confiance de la quasi-totalité de la population. D'ici quelques mois, le pouvoir ne sera soutenu que par la fonction publique, qui sait que le gouvernement sert ses intérêts, comme nous l'avons constaté avec la suppression scandaleuse du jour de carence.

Que craignez-vous ?

La pire des solutions serait de remplacer Ayrault par un clone français de Monti : Pascal Lamy, par exemple, dont certains susurrent au président de la République qu'il serait le seul capable de faire les réformes dont la France a besoin. Or, à l'OMC, il a d'abord servi les intérêts des concurrents de l'Europe. L'idée d'un Lamy, sorte de père la rigueur bien pensant, protégeant l'euro, est cauchemardesque. Monsieur Hollande, choisissez Pascal Lamy, vous mettez la France en feu ! C'est simple, si l'on continue avec l'euro, l'économie française poursuivra son effondrement. Je prends le triste pari qu'avant la fin du quinquennat, nous aurons plus de cinq millions de demandeurs d'emploi.

Comment rétablir la croissance ?

L'idée largement répandue que la reprise économique est au coin de la rue n'est que pure illusion. Dans les pays où elle est appliquée, la médecine Trichet-Merkel entraîne ce que j'appelle la "merkelite", c'est-à-dire une baisse continue du PIB, sans redressement du commerce extérieur, faute de dévaluation. Il est donc impossible de faire disparaître les déficits malgré des impôts sans cesse augmentés, puisque le PIB diminue... C'est pourquoi, pour faire repartir l'économie européenne, il n'y a pas d'autre solution que de faire exploser l'euro. Chaque économie européenne retrouverait une monnaie qui correspond à ses capacités productives.

La disparition de l'euro sera-t-elle suffisante pour ramener la croissance ?

Non. Le nouveau gouvernement devra engager des réformes structurelles importantes en réduisant fortement à terme les dépenses publiques. Il devra aussi reprendre du pouvoir d'achat à la fonction publique nationale et territoriale trop bien payée compte tenu de la sécurité de l'emploi dont elle bénéficie. Il faudra aussi réformer le marché du travail.

Peut-il y avoir croissance sans maîtrise de l'énergie ?

Il est impensable pour un pays comme le nôtre de se passer de l'énergie nucléaire ; il faut renoncer à la fermeture de la centrale de Fessenheim, regarder aussi comment prolonger la durée de vie des autres centrales, voire en construire encore, et arrêter les dépenses stupides dans les énergies renouvelables. L'exploitation du gaz de schiste a été interdite. Ce refus est dramatique. Sans celle-ci, nous n'aurons bientôt plus d'industrie chimique en France.

Faut-il entreprendre une réforme fiscale ?

Elle est indispensable. L'économie ne repartira que s'il y a une fiscalité stable, garantie constitutionnellement. La taxation des revenus du travail ne devra pas dépasser 40 %, CSG comprise, et celle du capital, CSG comprise aussi, 25 %. Enfin, il faut faire disparaître l'impôt sur la fortune qui empêche ceux qui ont réussi de rester en France

German overachievers must become more French

The economic situation in Europe's crisis countries is hardly improving, while Germany's economy is performing better than it has done in years. The liberal business paper Les Echos suggests tongue in cheek that [Germany](#) should become more like [France](#), so as to narrow the gap between the two countries: "The key elements of the cure: immediate adoption of a 35-hour week at full salary, a higher minimum wage, strict taxation of businesses and other economic players, a lowering of the retirement age to 62, a doubling of administrative procedures, the number of bureaucrats and especially of teachers, among other measures. ... On closer examination, the average German only stands to gain in terms of employment and buying power from such changes, which would then pay off when election time rolls around. Any expert will tell you that in this way the principal discrepancies between the German economy and those of its partners can be eliminated. But even if Germany submitted itself to this 'French cure', vigilance is called for. At any moment this country could once more be overcome by the demons of collective success." (12/03/2013)

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

<http://www.lesechos.fr/opinions/favilla/0202628795015-une-bonne-cure-de-france-546156.php>

Favilla

Une bonne cure de France

Par | 12/03 | 07:00 | [2commentaires](#)

On a beau retourner la question en tous sens : la situation de la France est préoccupante. Une baisse en quinze ans de la part de l'industrie dans son [PIB](#), une balance extérieure gravement, et constamment, déficitaire, un endettement public élevé et qui ne diminue pas, un chômage qui épouse la même pente... Tout cela est maintenant connu, même de l'opinion commune. Le plus important est de savoir comment en sortir. Et en Europe, l'Allemagne, qui pour l'instant n'a pas ces problèmes, en pose à ses partenaires. Certains font courageusement des efforts douloureux mais prometteurs (l'Espagne), d'autres menacent de les interrompre (l'Italie). Chez nous, le pouvoir est déchiré entre la conscience de ce qu'il faudrait faire et l'interdiction politique de le faire. En témoignent les oppositions de sa gauche et de FO-CGT à la modernisation potentielle des relations du travail.

Au-delà des querelles habituelles, il y aurait pourtant une solution. Elle dépend d'abord de l'Allemagne, et ne nécessite de son peuple aucun sacrifice. Elle permettrait en outre de sauver la zone euro de la dislocation car elle réduirait la fracture qui s'élargit tous les jours entre elle et ses partenaires. Une analyse détaillée montrerait d'ailleurs, point par point, que ses résultats seraient relativement rapides.

Elle consisterait simplement à prescrire à l'Allemagne une bonne cure de modèle français. Avec, pour ingrédients principaux : un passage immédiat aux 35 heures payées 39, un SMIC élevé, une fiscalité sévère sur les agents économiques et les entreprises, un retour décisif de l'âge de la retraite à 62 ans, un doublement du nombre des procédures, des fonctionnaires et notamment des enseignants... entre autres mesures. A y bien regarder, l'Allemand de base n'y verrait que des avantages en emplois et en pouvoir d'achat immédiats, ce qui serait à l'occasion un atout électoral. N'importe quel expert montrera qu'ainsi seront effacées les principales distorsions, nuisibles à tous, entre l'économie allemande et ses partenaires. Même si elle acceptait de s'appliquer cette « cure de France », il faudrait pourtant rester vigilant. Elle pourrait être à tout moment rattrapée par ses vieux démons de réussite collective.

„Alternative für Deutschland“

Eine bürgerliche Graswurzelbewegung gegen den Euro

12.03.2013 · Der erste öffentliche Auftritt der „Alternative für „Deutschland“ zieht 1200 Interessenten an. Mit ihrer Kritik treffen VWL-Professoren einen Nerv des unzufriedenen Bürgertums.

Von [Philip Plickert](#), Oberursel

72,65



© REUTERS Parteigründer Bernd Lucke

Bevor die Massen in die graue Stadthalle strömen, geben die Parteigründer eine Pressekonferenz. Für eine Partei, die erst seit knapp einer Woche eine Internetseite hat, ist das Interesse riesig. Etwa zwei Dutzend Journalisten wollen etwas über die neue Partei mit dem Namen „Alternative für Deutschland“ wissen. Vor der Tür filmt ein italienisches Kamerateam. Im holzvertäfelten Saal drehen weitere TV-Teams, Radioreporter halten Bernd Lucke ihre Aufnahmegeräte unter die Nase. Der schlanke VWL-Professor aus Hamburg, der trotz seiner 50 Jahre noch ein ganz jungenhaftes Gesicht mit spitzem Lächeln hat, beantwortet geduldig die Fragen.

Schade seine Partei nicht dem Europagedanken? „Durch Europa geht ein Graben“, sagt er. Daran sei aber der Euro schuld. Die Gemeinschaftswährung sei kein Friedensbringer, sondern ein „Spaltpilz“. In Südeuropa ruiniere er die Wirtschaft, weil die nicht wettbewerbsfähigen Länder nicht abwerten können. Dem Norden, vor allem Deutschland, würden ungeheure Haftungsrisiken für die Milliarden-Kreditprogramme aufgebürdet. „Zu dieser Währungs- und Europa-Politik gebe es keine Alternative, sagen Regierung und Opposition, die bedauerlicherweise in dieser Frage eine einheitliche Politik machen. Doch, es gibt immer eine Alternative“, meint Lucke, nämlich die Auflösung des Euro und die Rückkehr zu nationalen Währungen oder kleineren Währungsverbänden.



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1200 Zuhörer kamen am Montagabend nach Oberursel bei Frankfurt.

Der Feuilletonjournalist Konrad Adam, Mitgründer der Partei, attackiert die angeblichen Alternativlosigkeit. „Wir halten Alternativlosigkeit für falsch und gefährlich, weil es uns als Wähler entmündigt.“ Und der ehemalige Leiter der hessischen Staatskanzlei, Alexander Gauland, der nach vielen Jahren wie Lucke die CDU

verlassen hat, kritisiert: „Mit der Phrase der Euro-Schicksalsgemeinschaft wird versucht, eine nicht funktionierende Währung zu überhören.“

So jung und klein die Partei ist, Lucke gibt sich erstaunlich selbstbewusst. „Verträge sind einzuhalten, aber wir müssen ein Austrittsrecht in die EU-Verträge aufnehmen.“ Dies wolle er „mit den europäischen Partnern aushandeln“. Natürlich sei „unbestreitbar, dass es wirtschaftliche Verwerfungen geben wird, wenn der Euro aufgelöst wird, das kann teuer werden“. Man müsse über eine „solidarische Lastenverteilung zwischen den Partnern“ reden. Wenn Europas Spitzenpolitiker „engstirnig am Euro festhalten, dann wird es dazu führen, dass die Ungleichgewichte immer mehr zunehmen und der Euro ungeordnet auseinanderbricht“. Dann sei auch der Binnenmarkt gefährdet, wenn einige Länder wieder Zollschränken hochzögen. „Das ist weit schlimmer als ein geordneter Euro-Ausstieg“, meint Lucke. Er spricht ganz ruhig und mit hanseatischer Höflichkeit – obwohl er eigentlich unglaubliches formuliert.



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Die Euro-Rettungsschirme sind nicht alternativlos, sagt Parteimitbegründer Konrad Adam.

Sein Professorenkollege Joachim Starbatty assistiert mit mehr Temperament. Der Euro-Austritt mache nur die Kosten der schon aufgelaufenen Verschuldung sichtbar. Es würden mit der Euro-Rettung keine Länder gerettet, sondern nur die Banken. Seit sechs Jahren liege Griechenland in der Rezession, seit drei Jahren Spanien und Italien. „Wir müssen weg von der Bankenrettung hin zur Länderrettung“. Und ein Euro-Ende mit Abwertung sei dafür der einzige Weg. Ob eine Aufwertung der deutschen Währung dann nicht dem Export schade, bohrt eine Journalistin vom „Wall Street Journal“ nach. Eine Aufwertung sei nicht weiter schlimm, findet Starbatty. „Deutschland war immer ein Aufwertungsland.“ Nach dem Krieg zahlte man für einen Dollar genau 4,2 Mark, zuletzt war der Kurs auf 1,3 Mark gesunken.

Der deutschen Volkswirtschaft hätten die wiederkehrenden starken Aufwertungen der Mark nicht schlecht bekommen, sie war zu Innovationen gezwungen. Für die Bevölkerung bedeute eine Währungsaufwertung einen Kaufkraftgewinn. „Der ehemalige Wirtschaftsminister Karl Schiller nannte das die soziale Dividende.“ Seit dem Jahr 2000 habe aber die Massenkauftkraft nicht mehr zugelegt, hingegen seien die Bezüge der Dax-Konzerne exorbitant gestiegen. Der Tübinger Ökonom will damit sagen, dass der Euro zwar der exportorientierten Industrie geholfen habe, doch den allgemeinen Wohlstand nicht gefördert habe. „Schauen Sie in die Schweiz, trotz einer scharfen Aufwertung boomt dort die Wirtschaft und die Arbeitslosenquote liegt bei 2,5 Prozent“, ruft Starbatty.



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Auf dem Podium Mitglieder der "Alternative für Deutschland": Joachim Starbatty (v.l.), Beatrix von Storch, Konrad Adam und Alexander Gauland.

Zeitweilig klingt es auf der Pressekonferenz wie in einem währungstheoretischen Proseminar an der Universität. In der Politik ist Lucke noch völlig unerfahren, wie er selbst zugibt. Aber der Zuspruch der Bürger mache ihm Mut. „Wir sind eine Graswurzelbewegung“, meint er. Angefangen hat die Partei mit 55 Unterstützern, von denen mehr als die Hälfte einen Professorentitel trägt. Inzwischen seien es schon 2000 Mitglieder, nach nur einer Woche an der Öffentlichkeit.

Drei Kernpunkte habe das Programm der „Alternative für Deutschland“: Sie fordern einen „Stopp der Eurorettung“, zudem kritisieren sie „die ausufernde Bürokratie und das Demokratiedefizit in der EU“ und zuletzt wollen sie „die Degenerierung des Parlamentarismus und der demokratischen Kultur“ aufhalten. Denn die nationalen Parlamente seien im Zuge der Euro-Rettung völlig eingeschüchtert worden und zu Statisten verkommen. Als weiteren Programmpunkt nennt Lucke eine Vereinfachung des „hyperkomplizierten deutschen Steuerrechts“.



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Der Ökonom Bernd Lucke am Pult

Aber es klingt auch Skepsis unter den Fragenden durch, ob die kleine neue Partei eine Chance habe, zur Bundestagswahl anzutreten. Wie Lucke es schaffen wolle, in zwei Monaten bis Mitte Juli in jedem Bundesland 2000 Unterstützerunterschriften zu sammeln, um zur Wahl zugelassen zu werden. „Wir schaffen das mit Ihrer Mitarbeit. Hier sind 1200 Leute, mit Ihnen bekommen wir die Unterschriften ohne weiteres zusammen.“

Das italienische Kamerateam beobachtet aufmerksam, welche Spannung sich hier zusammenbraut. Die Euro-Skepsis ist längst im Euro-Kernland angekommen.

Euro zone crisis

Sad Cyprus

Mar 12th 2013, 14:50 by Buttonwood

72,68

SMALL though it is, Cyprus is emblematic of this current debt crisis. For a start, it illustrates that focusing on a country's government debt-to-GDP ratio is too narrow; in 2010, Cyprus had a [government debt-to-GDP ratio](#) of just 61%. Debt is a claim on future wealth; when it becomes clear that future wealth will not be sufficient to service this debt, a crisis will ensue. If the debt is in the private sector, and particularly the banks, the government will be dragged in; either because the economy (and tax revenues) collapse or because the state must formally assume the debts of the banking sector.

As this [note](#) from a World Bank economist points out, banking debt at end-2010 was around nine times Cyprus's GDP. Both the size of the banking sector to the economy, and its Topsy-like growth, are analogous to the situations of Iceland and Ireland. (In Luxembourg, the size of the banking sector is around 20 times GDP but this is almost completely comprised of foreign banks. In Cyprus, domestically-owned institutions account for two-thirds of all bank assets.) Furthermore, even when financial institutions are excluded, Cyprus has the [second highest](#) private sector debt-to-GDP ratio in the euro zone.

When the banking sector is so large, the domestic government clearly cannot stand behind it. Iceland needed an IMF loan; Ireland went to the EU. As part of this process, some of the debt will have to be written off. But that's the tricky bit. Who pays? If you write off debt owed to the domestic banks, then you will have to rescue the banks. If you write off uninsured deposits, then will there be a contagion effect as uninsured depositors in other countries take fright. And if you write off debt owed to official creditors, they will demand a price, in terms of austerity; that price will cause short-term damage to the economy and will be resented by the electorate.

The problem is tied up with the issue of moral hazard. This can be applied to both creditors and debtors; the former should be punished for reckless lending and the latter for living beyond their means. The collapse of Lehman Brothers is seen as an example of the faulty reasoning behind moral hazard; by letting the bank go bust, the crisis was spread throughout the financial system. But rescuing every creditor (or intervening to bail out the markets every time they falter) is the reason we are in this mess.

The best opportunity for the authorities to apply the moral hazard lesson is when the economy is going well. But at that moment, financial institutions aren't going bust. In retrospect, the opportunity was missed when Long-Term Capital Management collapsed in 1998 but at the time, everyone was worried about the Asian crisis.

Because Cyprus is small, adding its debt to that of the stronger EU nations will not make that much difference. But as a whole, the euro zone is not growing at all; the consensus forecast is for a 0.2% decline in GDP this year. If we go back to the unholy trinity of options facing indebted nations (inflate, stagnate, default), it looks as if the EU, like Japan, is opting for the second.

Central bankers

Fallible beings

Mar 12th 2013, 11:48 by Buttonwood

72,69

A LOT of faith is placed in the wisdom of central bankers, by politicians and investors. The former hope that monetary policy can prop up the economy while they attempt to reduce budget deficits; the latter tend to buy equities as soon as they think central bankers are easing.

But it is worth remembering that central bankers are fallible. I've quoted Ben Bernanke before, asked about the possibility of a housing bubble in July 2005

Well, I guess I don't buy your premise...We've never had a decline in house prices on a nationwide basis.

And I just came across this quote* from Janet Yellen, Bernanke's potential successor, in a 2005 [speech](#) on housing bubbles and monetary policy. She acknowledges that house prices may be high relative to rents but adds that

In my view, the ... decision to deflate an asset price bubble rests on positive answers to three questions. First, if the bubble were to collapse on its own, would the effect on the economy be exceedingly large? Second, is it unlikely that the Fed could mitigate the consequences? Third, is monetary policy the best tool to use to deflate a house-price bubble? My answers to these questions in the shortest possible form are, "no," "no," and "no." ... In answer to the first question on the size of the effect, it could be large enough to feel like a good-sized bump in the road, but the economy would likely to be able to absorb the shock... In answer to the second question on timing, the spending slowdown that would ensue is likely to kick in gradually... That would give the Fed time to cushion the impact with an easier policy.

Her answer to the third point is left out for reasons of space but, it echoes Alan Greenspan's argument, that a rise in interest rates is too blunt a tool and might do unnecessary damage to the rest of the economy.

Of course, Ms Yellen was not alone in failing to predict the damage that would be caused by the collapse of the housing bubble. But the fact she didn't get it right should make us pause when we assume that she, and other central bankers, will get other things right. In mid-2010, for example, the Fed thought the US economy would grow by between 2.9% and 4.5% in 2011; it actually grew 1.7%. In August 2010, the Bank of England thought the most likely UK GDP growth rate in 2011 was 3%; it managed 0.7%. Yes, one could argue both banks were blindsided by the EU crisis but Greece had been bailed out in May 2010 and the problems of Ireland and Portugal were already apparent.

Looking forward, will central banks be able to exit their current policy with anything like the ease they assume? Here is Sir Mervyn King

I have absolutely no doubt that when the time comes for us to reduce the size of our balance sheet that we'll find that a whole lot easier than we did when expanding it

Absolutely no doubt? Hmm. With that infallibility, Sir Mervyn is a shoo-in for the Papacy.

* The quote came from a proof of Stephen King's forthcoming book *When the Money Runs Out*, which looks very good indeed. Trying to find the original speech proved difficult; the link is to Mark Thoma's blog of the time. The link from there calls up a notice from the San Francisco Fed that the speech is no longer available. Let us charitably assume that it doesn't keep details of eight-year-old speeches.

When Is A Promise Not A Promise?

Author: [Edward Hugh](#) · March 12th, 2013 · [Comments \(0\)](#) Share This Print 13 9

72,70

Mario Draghi is proving to be a man of his word. [He said he would do whatever he needed to do to hold the Euro together](#), and – so far so good – he has. Up to now of course some would say his will has not been truly tested, since all he has had to do is sit there and twiddle his thumbs, and that has worked. It seems to have been the subliminal symbol the markets were waiting for.

But now he has added to his repertoire, and gone one stage further. This time he really did do something. Last Thursday he openly and publicly turned a blind eye to a blatant example of monetary financing being carried through out there adjacent to the flagship's starboard bow. Like Nelson peering along the length of his telescope at Trafalgar, he saw no monetary financing activity in Ireland. The reason he didn't see it was because he simply didn't look. Naturally he did tell curious journalists last Thursday that someone one day would do so, but such was his control of the situation he even feigned he couldn't remember the date when they would take that look. Nice one Mario.

Thus he kept to his promise, while allowing the Irish government to sharply revise down the net present value of one of theirs.

The really impressive part in the performance was the extraordinarily skillful way in which the ECB's very own Lord High Admiral managed to navigate his flagship through the tiny skiffs of the assembled press corps. At one point he almost taunted them with their own impotence, appealing to some seemingly innate masochistic tendency they share by giving them a dressing down for the way in which they constantly get things out of proportion while jocularly drawing their attention to how they were prone to a sort of "angst of the week" syndrome. It always helps when you want to insult someone's intelligence if you start off by saying, "let me tell you a joke."

What he had in mind were things like, well you know, the size of the ECB balance sheet (what a thing to fret about), the value of the Euro, the threat of currency break up, deposit flight from the periphery, the hawkish Bundesbank etc etc. The list of causes for such childlike angst could be very, very long. When all is for the best in the best of all possible worlds, what on earth could reasonable men and women be doing worrying their silly little heads about so many and such varied topics? These things are better left in the capable hands of the big boys over on the ECB governing council who, self evidently, know exactly what they are doing. Another nice one Mario.

Curiously though one "angst of the week" the journalist didn't seem to be suffering from at last Thursday's press conference was whether or not "monetary financing by stealth" might be going on in Ireland. After all, why should they have been, it's such a trivial item.

However, surely even those with the shortest of **short memories** must somehow or another be able to recall [that notorious Irish Promissory Notes issue](#). This certainly was fret of the week in February, but had somehow – apart from one isolated question – conveniently slipped off the radar by the time we got to March. But just as a reminder, here's the story so far.

February Press Conference

Question: Unfortunately, I have one more question about Ireland. You said that it is a decision of the Irish government and probably the Central Bank of Ireland, and not your problem. But, at some point, I guess it could still be a Eurosystem problem because, as I understand it, the Central Bank of Ireland is now the owner of a promissory note, or something else, maybe government bonds with longer durations, which should be part of the so-called ANFA assets. I know that there are certain rules which cap these assets so, at some point this year, you have to look at that. Do you have any proposals for the Central Bank of Ireland to reduce that?

Draghi: You are running too fast, you are running ahead. We will certainly review the situation in due course. I am not saying that this is the last word on this. I am only saying that, today, the Governing Council unanimously **took note of the Irish operation**. So I have to say that this is certainly not the last word. We will come back to this.

Fine, we don't want to precipitate things. We need to consult so for the moment we are only taking note with no further comment. But what a difference a day makes, come March they were not even taking notes. Poor Mario couldn't even remember the date when the Governing Council was planning to come back to the matter. Curious.....

March Press Conference

Question: Last month you said that we have not heard the last word on the Irish promissory notes. So, I wonder, when will we hear the last word?

Draghi: We periodically review compliance with Article 123 by all countries. If I am not mistaken, the review should happen at the end of the year, but the Governing Council will decide in complete independence when to have this review, or a review of similar situations. I do not have a date to give you now. I think there is a date when this is going to be done, and I believe it is at the end of the year, but I cannot let you know for sure .

Now for those who need reminding [Article 123 of the EU Treaty](#) is the one which explicitly prohibits monetary financing by either the ECB or national central banks. The agreement reached between the Irish central bank and the Irish government would certainly appear to breach the letter of that article (see below), and given the way the Bundesbank has voiced such concerns over the months about anything that even vaguely smack of it, you'd have thought it would have been a hot topic.

Growing Weariness At Both Ends Of The Curve

So what happened between the two press conferences? The Italian elections happened, that's what happened. What the Italian election outcome suggests is not just that Italy won't find it easy forming a government, that part is obvious. More importantly there is a growing recognition that even after a government is formed, twisting its arm to push through a hefty reform programme is going to be difficult, and in the meantime Italy's debt to GDP ratio is simply going to keep going onwards and upwards (it was near 130% by the end of 2012, and rising), no matter how much soothsaying goes on about how the country now has a primary balance.

So at some point this surge in the debt level will need to be capped, and I think there is a growing resignation about this fact in Brussels, Berlin and Washington. It is this resignation that the markets are sniffing, when they aren't taking the appropriate advisers out to lunch to get them to spill the beans, and this is why the periphery bond spreads are reacting so calmly to almost anything.

Italian debt will need to be restructured, or at least "re-profiled" (that basically means extending the term of the debt say to 30 or 50 year bonds in a way the the Net Present Value is significantly reduced), just like that of its Greek peer. But hey, isn't that just what the Irish government got the Irish central bank to sign up to and, as [John Dizard points out](#), didn't Maria Cannata, director-general of public debt in Italy, recently go so suggest that [the country might soon be issuing bonds in the 30 to 50-year range](#)? "We intend to restart with the lengthening of the duration in the average life of our debt," she told an investor conference in London recently. "We are ready to launch also a new 30-year (bond) as soon as possible."

So while Europe's central-bank-watching journalists may momentarily have lost sight of the problem, hedge fund research teams surely haven't, indeed I think it would be pretty difficult to understand why markets are responding so calmly to the absence of even the first signs of a stable government in Italy. Somehow or another one gets the feeling that none of this now matters, risk premia will come down regardless.

Something similar seems to be happening in the case of Spain. At the end of last week Spanish 5 and 10 year bonds [reached their lowest yield level since November 2010](#). And this in a week when credit rating agency [Moody's announced they had identified 200 billion euros worth of badly classified property assets](#) in Spain's

bank balance sheets, assets which had not been specially provisioned for. Isn't financial sector risk supposed to be one of the main risks to Spanish debt and solvency? How come the stock market continues to go up even as almost every real economy indicator deteriorates. A combination of reform weariness on the periphery and bailout weariness in the core is producing what many perceive as being the perfect storm. A world where almost nothing can go wrong, unless that is you are in Spain or Greece and searching for a job. In fact it is now starting to look increasingly unlikely that Mariano Rajoy will ever ask for those famous Outright Monetary Transactions bond purchases ever to be implemented. Landon Thomas – like many of us – [had it wrong](#), the world wasn't waiting for Mariano, it was waiting for Mario to see if he would just keep twiddling his thumbs.

Will The National Central Banks Support The Bond Markets No Matter What?

Naturally this is a win win solution – for the ECB, the Bundesbank and for Angela Merkel who won't have to keep going to the German parliament to get authorisation for yet more bailout money. So maybe this is an important moment in the crisis. The moment when you can say that one stage is over, and another, the one Citi Chief Economist Willem Buiter once called the Rubelisation of the Euro Area, about to begin. Now it could be that national central banks rather than the ECB will become the focus of attention, at least in terms of assuming the risk of growing debts in countries that are going to have trouble ever paying it all back.

As I said [in this post](#) back in October last year:

The heart of the issue is that Mario Draghi has vowed to do enough, and enough seems to have no limits. So what could the ECB do if we really put our imagination to work on the issue? Well like Ray [Dalio] argues, they could print money, lots of it, even to the point of doing it helicopter style. Those people who think the ECB is already printing money (which they aren't necessarily doing when they increase their balance sheet) ain't seen nothing yet. That's what the "it will be enough" promise means. None of this is in the mandate yet, naturally it isn't, but it could be, and it would be much easier to put more in the mandate than it would be to keep going to the German Parliament to ask for more money. So it could, and most probably will, happen. When you're crossing that rope bridge and it starts to creak and sway then you just have no alternative but to continue moving towards the other side. We have all seen far too many movies about what happens to the people who try to turn back.

[FT Alphaville's Izabella Kaminska also senses it](#), "Something very important has changed, which makes this a very different type of bubble. The government will continue to support the market no matter what.... The crisis happened precisely because there weren't preset expectations of government support."

Izabella is of course talking about the United States government, but the point is generalizable. The Euro crisis broke out precisely because there weren't expectations of collective support for the struggling countries. [As I pointed out at the time](#), the Greek crisis broke out in the wake of what happened in Dubai, where markets started to doubt that big brother Abu Dhabi would bail the country out. The same thing happened to Greece, expectations of German government support dwindled largely because the government itself was denying it would. But now, four years later a formula has been found: march together but strike separately, or something like that.

So it is to Mario Draghi's credit that he has shifted that perception, he vowed he would save the Euro no matter what, and now inadvertently the Irish government have offered investors a blue print of how it might all work. The national central banks will support their sovereign bond markets, no matter what. After all, isn't that just what the new Japanese Prime Minister Shinzo Abe has said he is going to do, and aren't the global financial markets whirring resplendently with joy just hearing him saying it.

Why in the end should Europe be so different? Maybe [it will all end in tears](#), but it will be fun while it lasts.

So we are off on a splendid monetary experiment, with Japan leading the pack. As Paul Krugman so aptly puts it in the title of a recent article - "[Is Japan The Country of the Future Again.](#)" And the moral – "It will be a bitter irony if a pretty bad guy, with all the wrong motives, ends up doing the right thing economically, while all the good guys fail because they're too determined to be, well, good guys."

He wasn't by any chance talking about Silvio Berlusconi, was he?

03/12/2013 06:21 PM

The Price of Green Energy

Is Germany Killing the Environment to Save It?

By Markus Dettmer, Peter Müller and Cornelia Schmergal

72,73

The German government is carrying out a rapid expansion of renewable energies like wind, solar and biogas, yet the process is taking a toll on nature conservation. The issue is causing a rift in the environmental movement, pitting "green energy" supporters against ecologists.

The Bagpipe, a woody knoll in northern Hesse, can only be recommended to hikers with reservations. This here is lumberjack country. Broad, clear-cut lanes crisscross the area. The tracks of heavy vehicles can be seen in the snow. And there is a vast clearing full of the stumps of recently felled trees.

Martin Kaiser, a forest expert with Greenpeace, gets up on a thick stump and points in a circle. "Mighty, old beech trees used to stand all over here," he says. Now the branches of the felled giants lie in large piles on the ground. Here and there, lone bare-branch survivors project into the sky.

Kaiser says this is "a climate-policy disaster" and estimates that this clear-cutting alone will release more than 1,000 metric tons of carbon dioxide into the atmosphere. Forests are important for lowering levels of greenhouse gases, as large quantities of carbon dioxide are trapped in wood -- especially the wood of ancient beech trees like these. Less than two years ago, UNESCO added the "Ancient Beech Forests of Germany" to its list of World Natural Heritage Sites.

It wasn't any private forest magnate who cleared these woods out. Rather, it was Hessen-Forst, a forestry company owned by the western German state of Hesse. For some years now, wood has enjoyed a reputation for being an excellent source of energy -- one that is eco-friendly and presumably climate neutral. At the moment, more than half of the lumber felled in Germany makes its way into biomass power plants or wood-pellet heating systems. The result has been an increase in prices for wood and the related profit expectations. The prospect of making a quick buck, Kaiser says, "has led to a downright brutalization of the forestry business."

The Costs of Going Green

One would assume that ecology and the *Energiewende*, Germany's plans to [phase out nuclear energy](#) and increase its reliance on renewable sources, were natural allies. But in reality, the two goals have been coming into greater and greater conflict. "With the use of wood, especially," Kaiser says, "the limits of sustainability have already been exceeded several times." To understand what this really means, one needs to know Kaiser's background: For several years, he has been the head of the climate division at Greenpeace Germany's headquarters in Hamburg.

Things have changed in Germany since Chancellor Angela Merkel's government launched its energy transition policy in June 2011, prompted by the Fukushima nuclear power plant catastrophe in Japan. The decision to hastily shut down all German nuclear power plants by 2022 has shifted the political fronts. Old coalitions have been shattered and replaced by new ones. In an ironic twist, members of the environmentalist Green Party have suddenly mutated into advocates of an unprecedented industrialization of large areas of land, while Merkel's conservative Christian Democrats have been advocating for more measures to protect nature.

Merkel's energy policies have driven a deep wedge into the environmental movement. While it celebrates the success of renewable energies as one of its greatest victories, it is profoundly unsettled by the effects of the energy transition, which can be seen everywhere across the country.

Indeed, this is not just about cleared forests. Grasslands and fields are being transformed into oceans of energy-producing corn that stretch beyond the horizon. Farmers are using digestate, a by-product of biogas production, to fertilize their fields as soon as they thaw from the winter. And entire tracts of land are being put to industrial use -- converted into enormous solar power plants, wind farms or highways of power lines, which will soon stretch from northern to southern Germany.

The public discourse about the energy transition plan is still dominated by its supporters, including many environmentalists who want to see the expansion of renewable energies at any price. They set the tone in government agencies, functioning as advisors to renewable energy firms and policymakers alike. But then there are those feeling increasingly uncomfortable with the way things are going. Out of fear of environmental destruction, they no longer want to remain silent.

Greens in Awkward Position

Although this conflict touches all political parties, none is more affected than the Greens. Since the party's founding in 1980, it has championed a nuclear phaseout and fought for clean energy. But now that this phaseout is underway, the Greens are realizing a large part of their dream -- the utopian idea of a society operating on "good" power -- is vanishing into thin air. Green energy, they have found, comes at an enormous cost. And the environment will also pay a price if things keep going as they have been.

Within the Greens' parliamentary group in the Bundestag, politicians focused on energy policy are facing off against those who champion environmental conservation, fighting over how much support the party should throw behind Merkel's energy transition. Those who prioritize the environment face a stiff challenge, given that Jürgen Trittin -- co-chairman of the parliamentary group who long served as environment minister -- is clearly more concerned with energy issues.

In debates, members of the pro-environmental camp have occasionally even been hissed at for supposedly playing into the hands of the nuclear lobby. "We should overcome the temptation to sacrifice environmental protection for the sake of the fighting climate change," says Undine Kurth, a Green parliamentarian from the eastern city of Magdeburg. "Preserving a stable natural environment is just as important."

"Of course there is friction between environment and climate protection advocates, even in my party," says Robert Habeck, a leader of the Greens in the northern state of Schleswig-Holstein who became its "Energiewende minister" in June 2012 -- the first person in Germany to hold that title. "We Greens have suddenly also become an infrastructure party that pushes energy projects forward, while on the other side the classic CDU clientele is taking to the barricades. It's just like it was 30 years ago, only with reversed roles."

This role is an unfamiliar one for environmentalists. For a long time, they were the good guys, and the others were the bad guys. But now they're suddenly on the defensive. They used to be the ones who stood before administrative courts to fight highway and railway projects to protect Northern Shoveler ducks, Great Bustards or rare frog species. But now they are forced to defend massive high-voltage power lines while being careful not to scare off their core environmentalist clientele.

Bärbel Höhn, a former environment minister of the western state of North Rhine-Westphalia, has a reputation for being a bridge-builder between the blocs. She concedes that there have been mistakes, like with using corn for energy. But these are just teething problems that must be overcome, she adds reassuringly.

Encroaching on Nature Reserves

The opposition in Berlin has so far contented itself with criticizing Merkel, believing that her climate policies have failed and that she has steered Germany's most important infrastructure project into a wall. Granted, neither the center-left Social Democratic Party (SPD) nor the Greens are part of the ruling coalition at the

federal level, but they do jointly govern a number of Germany's 16 federal states. And, when forced to choose between nature and renewable energies, it is usually nature that take a back seat in those states.

It was in this way that, in 2009, Germany's largest solar park to date arose right in the middle of the Lieberoser Heide, a bird sanctuary about a 100 kilometers (62 miles) southeast of Berlin. Since German reunification in 1990, more than 200 endangered species have settled in the former military training grounds. But that didn't seem to matter. In spite of all the protests by environmentalists, huge areas of ancient pine trees were clear cut in order to make room for solar collectors bigger than soccer fields.

A similar thing happened in Baden-Württemberg, even though the southwestern state has been led for almost two years by Winfried Kretschmann, the first state governor in Germany belonging to the Green Party. In 2012, it was the Greens there who passed a wind-energy decree that aims to boost the number of wind turbines in the state from 400 to roughly 2,500 by 2020. And in the party's reckoning, nature is standing in the way.

The decree includes an exemption that makes it easier to erect huge windmills in nature conservations areas, where they are otherwise forbidden. But now this exception threatens to become the rule: In many regions of the state, including Stuttgart, Esslingen and Göppingen, district administrators are reporting that they plan to permit wind farms to be erected in several nature reserves.

But apparently even that isn't enough for Claus Schmiedel, the SPD leader in the state parliament. Two weeks ago, he wrote a letter to Kretschmann recommending that he put the bothersome conservationists back into line. Schmiedel claimed that investors in renewable energies were being "serially harassed by the low-level regional nature-conservation authorities" -- and complained that the state government wasn't doing enough to combat this.

Fears of Magnetic Fields

Just as controversial as the wind farms are the massive electricity masts of the power lines, which bring wind energy from the north to large urban areas in the south. This has led the Greens to favor cables laid underground over the huge overhead lines for some time now. Trittin, the party's co-leader, believes that using buried cables offers an opportunity "to expand the grid with the backing of the people."

Ironically, however, there is growing resistance to this supposedly eco- and citizen-friendly form of power transition on the western edge of Göttingen, a university town in central Germany that lies in Trittin's electoral district.

Harald Wiedemann, of the local citizens' initiative opposed to underground cables, has already sent to the printers a poster that reads: "Stop! You are now leaving the radiation-free sector." Plans call for laying 12 cables as thick as an arm 1.5 meters (5 feet) below ground. Wiedemann warns that the planned high-voltage lines will create dangerous magnetic fields.

He and some other locals have marked out the planned course of the lines with barrier tape. It veers away from the highway north of the village, cuts through the fields, runs right next to an elementary school and through a drinking water protection area.

Wiedemann is also the head of the city organization of the Greens, who are generally known as Energiewende backers. "But why do things have to be done so slapdash?" he asks. The planning seems "fragmented," he says, and those behind them have forgotten "nature conservation, health and agriculture."

Indeed, underground cables are anything but gentle on the landscape. Twelve thick metal cables laid out in a path 20 meters wide are required to transmit 380,000 volts. No trees are allowed to grow above this strip lest the roots interfere with the cables. The cables warm the earth, and the magnetic fields created by the alternating current power cables also terrify many.

Nature Suffers

Many nature conservationists believe that Germany's Energiewende is throwing the baby out with the bath water. For example, last week, Germany's Federal Agency for Nature Conservation (BfN) hosted a meeting of scientists and representatives from nature conservation organizations and energy associations in the eastern city of Leipzig.

Kathrin Ammermann, who heads the organization's unit responsible for renewable energy, is troubled by recent developments. "Increased production of biogas, in particular, has intensified corn monoculture," she says, noting that this has harmed numerous plant and animal species. Wind turbines also kill birds and bats. "The expansion of renewable energies must not only be carried out in a way that makes the most economic sense, but also in a way that is as friendly as possible to nature and the environment," she says.

As Germany's environment minister, it is Peter Altmaier's job to balance the interests of both sides. But the CDU politician spent his first months in office singing the praises of renewable energies only to then turn around and warn with increasingly grim forecasts of an explosion in electricity prices that can no longer be controlled. Indeed, nature conservation doesn't exactly top his list of priorities.

Last summer, when he presented his personal 10-point renewable-energy plan, it occurred to him, just in nick of time, that he was also responsible for environmental protection. He then pulled out a few meager words on nature and water protection, which have yet to be followed up with deeds. Nor has any progress been made on a noise-control plan relating to the building of offshore wind farms that had been announced with much fanfare.

At least Norbert Röttgen, Altmaier's predecessor and fellow CDU member, conceded during his time in office that nature protection might ultimately risk getting put on the back burner as a result of the nuclear phaseout. He even set up a Nature Conservation and Energy division within the ministry to address the issue. Nevertheless, it is the champions of renewable energies who are increasingly dominating the ministry's policy line, with the traditional advocates of nature and environmental protection just standing back and watching in astonishment. "In decision-making processes, we either get listened to too late or not at all," says one ministry official. "Nature protection just isn't an issue the minister has taken up."

(Is austerity working?)

More Barroso bombast

By [Jeremy Warner](#) [Economics](#) Last updated: March 12th, 2013

72,77



Jose Manuel Barroso

It's no longer new to say the European Commission has its head buried in the sand over what to do about the eurozone crisis, but lest you thought that just maybe reality was beginning to dawn, up pops our old friend Jose Manuel Barroso to remind us that some things never change.

"Comrades", he begins [in an open letter to fellow members of the European Council](#) – ok, so I made that up. "Colleagues", he begins. There is indeed light at the end of the tunnel. Yes, it's true that there has been no economic recovery, and that unemployment has reached unprecedented levels in many member states, and as you might imagine, we are very worried about all that.

But there are also positive signs.

Some of the macro-economic imbalances built up before the crisis are being corrected and structural reforms initiated in several countries are contributing to a rebalancing of the EU economy, notably in the euro area. Moreover, there is progress in fiscal consolidation, with a reduction in headline fiscal deficits and a containment of the rise in debt-to-GDP levels.

What is more:

Attached to this letter, you will find some key data presenting the latest trends in GDP, unemployment and public finances. I think you will find it interesting to see how some of our economies are adjusting, in particular the programme countries. You can see that the steadfast implementation of reforms is beginning to deliver results in terms of current accounts and regaining competitiveness.

So the therapy is actually working, and [the data proves it](#). We are therefore on the right course and we must redouble our efforts.

Except that the data doesn't show what is claimed. True enough, there has been some reduction in budget deficits over the past two years, both among programme countries and other Club Med nations. But the assumption of further progress is based on forecasts for this year and next, and may therefore be just a case of wishful thinking. Throughout this crisis, forecasters have been far too optimistic.

And as I have pointed out on several occasions in the past, most recently [here](#), the improvements in [current account deficits and labour productivity](#) are basically just a statistical curiosity. If you collapse internal demand,

which is what all these countries have done, you reduce imports and the trade gap begins to close. Fair enough, exports have grown in most of these countries – certainly by a lot more than they have here in the UK, despite the supposed advantage we have of devaluation – but not by nearly enough to compensate for the enforced plunge in domestic demand.

As for improving competitiveness, well yes, if you throw a quarter of your workforce out of work, your labour productivity does tend to rise – fewer workers equals more output per worker – but does that really count as a sign of improved competitiveness? In fact all it does is entrench the division between the haves and the have nots. No economy can call itself competitive with a 10 per cent plus unemployment rate.

But never mind. The euro is going to soldier on, and eventually you WILL be made to see that it has been a success, whatever the evidence to the contrary. There are too many careers riding on it to contemplate any alternative outcome.

A short history of austerity: it almost never works

You have to be one of Vince Cable's 'austerity jihadists' to believe you can cut your way out of a slump

[Aditya Chakraborty](#)

[The Guardian](#), Monday 11 March 2013 20.00 GMT

72,79



Liam Fox has called for a £345bn cut in public spending. Photograph: Dan Kitwood/Getty Images

[Vince Cable](#) is shocked – shocked! – to find that he's been sharing a coalition with Tories waging an "[ideological jihad](#)" on public services. As if to back him up, [Liam Fox](#) yesterday obligingly decried Tony Blair's "great socialist coup", and called for a £345bn cut in public spending, as well as a complete suspension of capital gains tax (this last measure doesn't actually feature in General Pinochet's Little Book of Counter-Revolution – but from tiny acorns and all that).

Fox fits snugly into his former cabinet colleague's pigeonhole. Yet if the business secretary really is on the hunt for austerity jihadists in the government, he'd better pack a giant butterfly net. If one definition of an ideologue is one who clings on to a strategy long after it's been proven to be a failure, then on deficit reduction David Cameron is as swivel-eyed as they come. Last week, the prime minister claimed "signs that our plan is beginning to work", but next Wednesday will see George Osborne deliver yet another budget in which growth forecasts are lowered, borrowing projections raised and even more spending cuts laid out.

This will be completely in line with every other budget and mini-budget the chancellor has delivered since he first laid out Plan A. To revisit those [debut budget predictions](#) from June 2010 is as tantalising as a glimpse of heaven to a fallen sinner. Back then, Whitehall assumed that Britain would now be amid a roaring recovery, with GDP growing 2.8% in 2012 and 2.9% this year. Instead, national income shrank in the last three months of last year and we will be lucky to see a 1% increase this year. Back then, it was assumed that unemployment would now be drifting downwards, businesses would be investing like billy-o, while public debt would be about to peak before heading south and the government would be on its way to the polls in 2015, the work of fiscal consolidation done.

Clearly, none of those things are going to happen, which is partly why Tory backbenchers are now so restive. But you would have to be one of the austerity jihadists to believe that you could cut your way out of a slump. The entire modern history of expansionary fiscal contraction, as coalition ministers used to call it, is that it almost never works.

Instead, severe austerity tends to turn recessions into depressions, consign millions to the dole or under-employment and lead to frightening political turbulence.

The most famous episode of austerity was during the interwar years, as Germany, Britain, France and Japan all fought to stay on the Gold Standard even amid the Great Depression. The deflationary impact of keeping their currencies pegged to gold, along with the austerity policies they followed to do so, was disastrous.

In Britain, unemployment jumped from 10.4% in 1929 to 22.1% by early 1932, even while government debt surged. In Germany, the Social Democrats stupidly clung to the orthodoxy of austerity, pushing joblessness up to 30% by 1932, and opening the door to the Nazis.

In Japan, the Showa Depression saw household incomes more than halve within two years between 1929 and 1931. Tokyo cut spending by nearly 20%, with the military bearing the brunt of the privations. The result was a wave of assassinations of government ministers and bankers and attempted coups. As the political scientist Mark Blyth says in his new book, *Austerity*: "Austerity didn't just fail – it helped blow up the world. That's the definition of a very dangerous idea." And yet when Europe's crisis began in earnest in 2009, rightwing politicians across the continent adopted the line that the best governments could do was cut spending to encourage the private sector to spend. Two of the leading proponents of the argument, economists Alberto Alesina and Silvia Ardagna were invited to present their ideas to European economy and finance ministers.

Yet as Blyth points out, their counter-examples of successful austerity were nothing of the kind. Ireland's cuts from 1987-9? The economy piggy-backed on the Lawson boom in Britain and a global upswing. As for Australia, Alesina and Ardagna mysteriously ended their happy story just before the worst [recession](#) in its postwar history. Even now, austerity merchants scratch around for poster children. There's Latvia, whose cuts over the past few years have been described by IMF boss Christine Lagarde as "a success story ... an inspiration for European leaders grappling with the euro crisis". Yet around one in 10 of the labour force have emigrated, a further 16% are unemployed and, on IMF estimates, the country will not get back to its pre-crisis trajectory for another decade.

When austerity fails to deliver economic recovery, its proponents fall back on exactly the kind of naked ideology attacked by Cable. Last week, I attended a meeting of Syriza Cambridge and heard the party's central committee member Stathis Kouvelakis describe how Greeks had been forced to accept the most painful austerity programme in recent European history. The parallels with Britain were striking. Where Athens lost its sovereignty to the IMF and Europe, the coalition claims it must placate financial markets. Where ordinary Greeks were branded as lazy and cosseted, Osborne and Iain Duncan Smith want to end the "culture of welfare dependency". And where in Greece, historic cuts were rolled out in the name of economic modernisation, here Cameron wants to whip us into a "global race".

If Cable thinks he has to fend off a few austerity jihadists, he should think again; he's in a government full of them.

Grèce : l'erreur du FMI passée sous silence

Le Monde.fr | 12.03.2013 à 11h20 Par Maria Negreponi-Delivanis, ancien recteur et professeur à l'Université de Macédoine

En janvier, le grand macro économiste [Olivier Blanchard](#) a reconnu que le FMI s'était trompé au sujet de la Grèce. Ce n'est pas la première fois que l'efficacité de la stratégie imposée à la Grèce est remise en cause. Il y a en effet quelques mois, [Olivier Blanchard](#) déjà, [Christine Lagarde](#), l'ancien directeur du FMI [Dominique Strauss-Kahn](#), mais aussi l'économiste de l'OCDE [Reza Lahidji](#) avaient déjà exprimé leurs réserves, mais c'est la dernière en date qui a provoqué des réactions.

Ainsi, un certain effort de décryptage est-il nécessaire, pour [comprendre](#) l'inertie systématique mais aussi les réactions anormalement tardives face aux mises en garde proférées contre les effets négatifs des mémorandums. Je pense ici à cette occasion tombée du ciel, le mea culpa du FMI, que le gouvernement grec a laissé [filer](#) sans [chercher](#) à [l'exploiter](#). Et de l'autre côté, l'étranger qui s'efforce, à [l'aide](#) d'arguments peu convaincants, d'éluder la question. Autrement dit, le directoire de l'[Union européenne](#) (UE) soutient la [politique](#) erronée d'austérité au lieu de la [corriger](#).

Il est fort probable que si les haut-placés au FMI ont tant tardé à reconnaître leur erreur, c'est parce qu'ils ont conscience que la dette grecque n'est pas viable. Je rappelle ici que d'après la bibliographie existante sur ce sujet, toute dette qui dépasse 90 % du PIB est considérée comme non gérable. Et on espère que la dette grecque qui, malgré l'alchimie électorale de juin 2012 a été décidée viable, devrait dans le meilleur des cas, être d'à peu près 124 % du PIB en 2022. Dans de telles conditions, l'aveu officiel d'Olivier Blanchard n'est rien d'autre qu'une exhortation à l'abandon immédiat de cette malheureuse stratégie imposée à la Grèce.

Et c'est cela qui a déclenché des réactions contradictoires au sein et à l'extérieur de la Grèce. D'abord, l'aveu d'Olivier Blanchard a provoqué un malaise évident au sein du directoire de l'UE, qui est même allé jusqu'à en démentir la teneur, tandis que les gouvernants Grecs se sont retrouvés extraordinairement désarmés, à [croire](#) que la nouvelle ne les concernait pas, et évitaient toute friction avec le directoire. Ces réactions ambiguës semblent refléter l'opposition rampante entre le FMI et l'UE. Leur désaccord ne se limite pas seulement à la gestion de l'UE en Grèce, mais concerne surtout le régime de l'austérité sauvage qui étouffe tout espoir de croissance en [Europe](#), menaçant d'entraîner avec elle aussi les Etats-Unis dans une profonde récession.

DÉVALUATION INTÉRIEURE

Tout laisse à [penser](#) que la vraie raison du malaise de l'UE est idéologique. La Grèce a en effet été utilisée comme arène d'où ne sortirait gagnante que l'une des deux cosmothéories : l'interventionnisme de Keynes opposé au libéralisme de Hayek et Friedman qui voient la disparition de l'Etat. S'agissant des mémorandums et de ses effets, on ne peut [parler](#) d'erreur mais plutôt d'une expérimentation, la première de l'histoire économique, ce qui est strictement interdit dans les [sciences](#) sociales. Cette expérimentation consiste en la dévaluation intérieure. Les maîtres d'œuvre de cette opération ont toujours su qu'elle aboutirait à la disparition irrévocable et définitive de l'héritage de Keynes, puisqu'elle démontrerait que l'austérité, rien que l'austérité mène à la croissance.

Mais l'expérience a tourné au fiasco. Un énorme fiasco. Elle est par contre responsable de 4 000 suicides, de l'appauvrissement de 3,5 millions de personnes, de la baisse de deux ans de l'espérance de vie ; elle est responsable aussi d'un taux de chômage qui dépasse l'entendement, de l'explosion du nombre d'interruptions volontaires de [grossesse](#) et des abandons de nourrissons pour des raisons purement économiques, du démantèlement de vies humaines et de familles, du nombre incontrôlable des SDF dû à la destruction progressive de la classe moyenne, de l'insupportable spectacle des Grecs qui, au XXI^e siècle, sont de plus en plus nombreux à [chercher](#) de quoi [manger](#) dans les ordures, du démantèlement de l'Etat-providence, et de bien d'autres horreurs impardonnables.

Bien que l'expérience "Hellas" ait été dès le début vouée à l'échec, le fanatisme presque religieux de la Troïka pour l'austérité en a repoussé le constat. Au contraire même, la Troïka a longtemps soutenu, et contre toute logique, que le plan de sauvetage ne fonctionne pas sous prétexte que les Grecs sont incapables de [mettre](#) en œuvre les mesures d'austérité qu'on leur impose. Mais la principale raison de cet échec, hormis l'acharnement farouche à l'austérité, est que ces mesures sont fondées sur des [idées](#) fausses. Pour exemple, citons la façon dont la Troïka envisage le problème de la fraude fiscale – qui est effectivement un problème important. A aucun moment, elle ne tient compte de la cause première.

Le taux de non-salariés par rapport à l'ensemble des travailleurs est effectivement trois fois plus élevé en Grèce que dans le reste de l'UE. Cette particularité exige naturellement des méthodes capables de la [neutraliser](#), comme celle de N. Kaldor qui préconise une imposition progressive de la [consommation](#) et non du revenu. Toute aussi fausse est cette autre idée dont se nourrit la Troïka, la taille disproportionnée du secteur public grec. Notons simplement qu'en Grèce, le secteur public se situe lui aussi dans la moyenne européenne.

UN AVEU D'ÉCHEC

Et pourtant, la Grèce a été félicitée pour ses prétendus progrès par l'OCDE, par [Angela Merkel](#) mais aussi par le ministre allemand des [finances](#) particulièrement exigeant, Wolfgang Schäuble. Alors, pourquoi s'acharnent-ils à [rejeter](#) la responsabilité de l'échec de la politique d'austérité sur la Grèce ? C'est ici qu'un aveu d'échec du FMI s'impose. L'UE n'était par contre ni prête ni disposée à reconnaître son erreur, et Mario Draghi, Oli Rhen, Jerry Rice, Wolfgang Schäuble, Christine Lagarde, pour ne [citer](#) qu'eux, se sont empressés d'[exprimer](#) leur désaccord par une pluie de déclarations publiques, minimisant l'erreur de calcul du FMI, la mettant en doute, et puis démentant les propos d'Olivier Blanchard, allant jusqu'à émettre très formellement que son point de vue ne représente pas la position officielle du FMI. Et pourtant, c'est bien l'UE qui a demandé en renfort le FMI – expert en la matière – afin d'élaborer ensemble un plan de sauvetage de la Grèce.

Malgré l'erreur de calcul du FMI, responsable de l'augmentation de presque 200 % de la récession par rapport aux pronostics, et de la tiermondialisation du pays, la politique d'austérité dévastatrice est poursuivie. Sans qu'il soit possible d'en [discuter](#) ou de [demander](#) des explications. Autrement dit, "*suis-moi et tais-toi*".

Pendant ce temps, les défenseurs des mémorandums, à l'intérieur des frontières ou en-dehors, assurent qu'ils commencent à [discerner](#) une lueur dans l'obscurité. Premièrement, grâce à l'accélération des réformes, même si leur teneur reste difficile à [cerner](#), notamment celles qui ont été mises en place sur une base complètement fausse et qui ont des effets dramatiques. Deuxièmement, en attirant des investissements étrangers qui en fait – personne ne peut le [nier](#) – consistent en un grand bradage dans l'urgence, à un prix défiant toute concurrence : ports, aéroports, chemins de fers, îles, immeubles, côtes, [services](#) publics, sources de richesses inexploitées à haut rendement potentiel.

L'erreur reconnue du FMI a été une belle occasion manquée d'[interrompre](#) la course folle de la Grèce vers le précipice.

March 12, 2013, 3:08 p.m. ET

Cyprus's Audit Whitewash

You don't go to the same doctor for a checkup unless you want the same answer.

A big audit of Cyprus's banks is due to start soon, a precondition for the euro zone's next and least essential bailout. The aim is to show nervous German parliamentarians that Cypriot bank deposits aren't nests for Russian mobsters, and hence should be spared losses.

Lest there be any hope that the audit is serious, however, consider the intergovernmental group that Cyprus has insisted must lead the mission. Moneyval, the Council of Europe's money-laundering watchdog, has conducted four rounds of evaluations in Cyprus since 1998. Its conclusion has been that the country has all the right rules and supervisory mechanisms in place. You don't go to the same doctor for a checkup unless you want the same answer.

The most recent assessment, published in September 2011, found Cyprus "compliant" or "largely compliant" on 40 out of 49 recommendations relating to money-laundering and financing of terrorism. That's a better grade than Austria, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovakia, Slovenia, Spain and the Holy See have received on the same scorecard.

Moneyval's 30 members are, by design, countries that have themselves been scrutinized for housing dodgy financial activity. The group's chairman for 2012-2014 is Vladimir Nechaev, who was previously head of the Russian delegation to Moneyval and also served as assistant to Russia's First Deputy Prime Minister from 2009-2012.

It's true that the audit will include private firms and take place under the auspices of the Cypriot central bank. But Moneyval will be in charge. A source from the Cypriot Finance Ministry told us that the private auditors, who haven't been chosen, are simply there to provide a "more detailed" final report.

There's also the issue of timing. In Brussels last week, Cypriot Finance Minister Michalis Sarris said the Moneyval mission would arrive in Cyprus on March 12 and complete an audit by month's end.

They're behind that schedule already, but euro-zone officials should reconsider the amount of time they've allocated for this process. Cypriot banks have nearly €130 billion in assets and close to €70 billion in deposits. If the euro zone really wants a thorough review—with full documentation of the sources of funds in large Cypriot deposits and of appropriate tax payments on those funds—two weeks isn't enough.

One reason for the haste is a €1.5 billion sovereign-bond repayment that comes due in June. But some of the ideas reportedly being considered for reducing the size of the final bailout—from emergency privatizations to monetizing gas reserves—could be adapted to cross the summer financing hump. This would give more time for a serious audit. The added benefit, from the perspective of skittish German lawmakers, could be to push the whole deal past September's Bundestag election.

Even before any formal audit begins, it's worth keeping in mind that we already have some evidence about the behavior and incentives of depositors in Cyprus. The latest numbers from the Cypriot central bank show that Cypriots and other euro-area residents have started to take their Cypriot bank deposits and run. Deposits held by non-Cypriot euro-zone residents fell 18% between November 2012 and January 2013.

Yet depositors from the rest of the world have stuck around. Their total deposits have wobbled around €21 billion since 2011. Faced with the prospect of deep haircuts, those depositors should surely be bolting—unless they were in Cyprus precisely to enjoy certain regulatory advantages.

Concerns about Russia and fraud aside, the basic question the euro zone faces with its fifth national bailout is whether taxpayers should pay to save bank bondholders and deposits. A whitewashed audit is a first step toward ensuring the answer, once again, is yes.

Bundesbank's frosty outlook

12/03 20:01 CET

• **VIDEO**

72,84

The head of Germany's central bank is warning the eurozone crisis is not over and governments must tackle the roots of their troubles with reforms – pointing the finger particularly at Italy, Cyprus and France.

He spoke on the day the French president admitted Paris' deficit will probably be much higher than promised: "I believe that France has a particular responsibility to make clear that the new rules that we agreed in the crisis – and one of them is the strengthened stability and growth pact – that those new rules are strictly applied; and the first time these rules are applied, we don't look for an escape route from the bindingness of these rules."

Jens Weidmann said France's reform course "seems to have floundered" while President Francois Hollande said that due to weaker-than-expected growth the country's public deficit will probably come in at 3.7 percent of economic output this year.

Under the stability and growth pact it is supposed to be three percent.

Les budgets nationaux placés sous la tutelle de Bruxelles

Par [Jean-Jacques Mevel](#) Mis à jour le 13/03/2013 à 08:05 | publié le 12/03/2013 à 19:15

72,85



Le «M. Euro» de la Commission, le Finlandais Olli Rehn, pourra être convoqué à tout moment par les parlementaires nationaux, en commission du budget ou en séance plénière, pour leur préciser son message. Crédits photo : Christian CREUTZ

Adoptée ce mardi par le Parlement européen, la nouvelle législation, qui octroie un droit de regard à la Commission sur la construction des budgets des États membres, entrera en vigueur dès printemps.

L'étau se resserre. Après les 27 capitales, les eurodéputés ont confirmé mardi, à une écrasante majorité, que la Commission européenne aura, dès cet automne, un droit de regard sur chaque budget national ainsi que sur le débat parlementaire qui précède le vote.

Ce contrôle européen, qui fait craindre une perte décisive de souveraineté dans les rangs de l'Assemblée nationale, est l'aboutissement logique d'un resserrement de la discipline budgétaire collective, initié il y a plus de trois ans par [Angela Merkel](#) et par [Nicolas Sarkozy](#). C'est la clef de voûte de l'édifice européen. Il part de la [règle d'or](#) - autrement dit l'obligation de revenir à l'équilibre des comptes d'État, visé par la France en 2017. Et peut s'achever par des pénalités financières (jusqu'à 0,2 % du PIB) en cas de violation des engagements.

C'est l'intrusion directe de Bruxelles, avant le vote souverain des représentations nationales, qui risque de poser problème, en pleine controverse sur l'austérité et la croissance. «À la rentrée, les députés français vont voir débarquer l'Europe dans un débat budgétaire qu'ils considèrent comme l'une de leurs dernières grandes prérogatives, dit-on du côté européen. Il va falloir beaucoup de doigté...»

Amendements à la loupe

Dès la fin octobre, la Commission pourra demander au Parlement de modifier, avant le vote, le projet de budget 2014, s'il lui paraît hors des clous européens. Le même droit de regard s'appliquera aux amendements que les élus pourraient proposer. Mais au bout du compte, c'est l'Assemblée qui vote comme elle l'entend, en toute responsabilité. Au sens strict, il n'y a donc pas transfert de souveraineté nationale vers l'échelon européen.

La nouvelle loi de l'UE, désormais validée par le Parlement européen comme par les États, «va aussi loin qu'il est possible» à traités européens inchangés, disent les experts juridiques. D'autres, en Allemagne notamment,

pensent déjà à l'étape suivante, franchement fédérale: un authentique [droit de veto](#) reconnu à l'Europe sur les dérives budgétaires nationales.

Renforcer la discipline collective

En attendant ce saut hypothétique, l'objectif affiché à Bruxelles est de renforcer la discipline collective grâce à plus de transparence. Côté gouvernement, chacun des 27 gouvernements devra transmettre à la Commission ses prévisions budgétaires pour l'année suivante d'abord à grands traits (fin avril) et ensuite par le menu (mi-octobre). Rendus publics, ces documents doivent faire jouer à plein la «pression par les pairs», autrement dit la possibilité pour les autres capitales de dire ouvertement de ce qu'elles en pensent, entre autres à l'Eurogroupe.

Côté Parlements, il s'agit d'amener les élus nationaux à voter leur budget «en connaissance de cause». Le texte prévoit que le «M. Euro» de la Commission, en l'occurrence le Finlandais [Olli Rehn](#), pourra être convoqué à tout moment en Commission budgétaire ou en plénière pour préciser son message aux élus nationaux. D'ici à l'automne, les députés français auront eu d'autres occasions de se faire une raison. D'abord, la pression du gouvernement lui-même, qui doit s'engager dès juillet sur sa feuille de route européenne. Et ensuite les échos en retour venus du reste de l'Europe. Chacun pense bien sûr au verdict de Berlin...

Central Banks Alone Can't Fix Europe: Weidmann

VIDEO

Published: Tuesday, 12 Mar 2013 | 8:51 AM ET

72,87

By: Written by Katy Barnato, reported by Julia Chatterley

Only Politics Can Solve the Crisis: ECB's Weidmann

Tuesday, 12 Mar 2013 | 8:30 AM ET

Jens Weidmann, president of the Bundesbank and a member of the ECB's governing council, says only politics, not the European Central Bank, can solve the euro zone crisis.

Politicians must act to combat Europe's financial crisis because [central banks](#) can't do it alone, Jens Weidmann, the president of the Bundesbank, Germany's central bank, said Tuesday.

"We face a structural crisis in Europe. We face a crisis of confidence, and this can only be overcome if politicians really tackle the root causes," Weidmann told CNBC in an interview.

"Monetary policy can only buy time at best. ... In that sense, I am a bit concerned about some of the expectations around the power and potential of monetary policy actions."

Weidmann said central bank actions had blurred the line between monetary and fiscal policy during the crisis.

"We should quickly revert to our core business, which is monetary policy," he said.

He added that he was skeptical about the prospect of further [stimulus measures](#) helping small and medium-size enterprises, particularly in Europe's [peripheral nations](#).

On a separate note, Weidmann described [France](#) as the "test case" for Europe's new budgetary rules.

"I don't think France is a crisis country. ... **France is now the test case for the new budgetary rules, the strengthened Stability and Growth Pact, and our hope is that the pact is applied in a very strict manner," he said.**

Weaker-than-expected growth has forced France's socialist President Francois Hollande to relinquish his original deficit target for 2013.

The Facts on Fracking

By *SUSAN L. BRANTLEY and ANNA MEYENDORFF*

OPPOSITION to fracking has been considerable, if not unanimous, in the global green community, and in Europe in particular. France and Bulgaria, countries with the largest shale-gas reserves in Europe, have already banned fracking. Protesters are blocking potential drilling sites in Poland and England. Opposition to fracking has entered popular culture with the release of “The Promised Land,” starring Matt Damon. Even the Rolling Stones have weighed in with a reference to fracking in their new single, “Doom and Gloom.”

Do the facts on fracking support this opposition?

There is no doubt that natural gas extraction does sometimes have negative consequences for the local environment in which it takes place, as does all fossil fuel extraction. And because fracking allows us to put a previously inaccessible reservoir of carbon from beneath our feet into the atmosphere, it also contributes to global climate change.

But as we assess the pros and cons, decisions should be based on existing empirical evidence and fracking should be evaluated relative to other available energy sources.

What exactly is fracking, or more formally hydraulic fracturing?

Many sandstones, limestones and shales far below ground contain natural gas, which was formed as dead organisms in the rock decomposed. This gas is released, and can be captured at the surface for our use, when the rocks in which it is trapped are drilled. To increase the flow of released gas, the rocks can be broken apart, or fractured. Early drillers sometimes detonated small explosions in the wells to increase flow. Starting in the 1940s, oil and gas drilling companies began fracking rock by pumping pressurized water into it.

Approximately one million American wells have been fracked since the 1940s. Most of these are vertical wells that tap into porous sandstone or limestone. Since the 1990s, however, gas companies have been able to harvest the gas still stuck in the original shale source. Fracking shale is accomplished by drilling horizontal wells that extend from their vertical well shafts along thin, horizontal shale layers.

This horizontal drilling has enabled engineers to inject millions of gallons of high-pressure water directly into layers of shale to create the fractures that release the gas. Chemicals added to the water dissolve minerals, kill bacteria that might plug up the well, and insert sand to prop open the fractures.

Most opponents of fracking focus on potential local environmental consequences. Some of these are specific to the new fracking technology, while others apply more generally to natural gas extraction.

The fracking cocktail includes acids, detergents and poisons that are not regulated by federal laws but can be problematic if they seep into drinking water. Fracking since the 1990s has used greater volumes of cocktail-laden water, injected at higher pressures. Methane gas can escape into the environment out of any gas well, creating the real though remote possibility of dangerous explosions. Water from all gas wells often returns to the surface containing extremely low but measurable concentrations of radioactive elements and huge concentrations of salt. This brine can be detrimental if not disposed of properly. Injection of brine into deep wells for disposal has in rare cases triggered small earthquakes.

In addition to these local effects, natural gas extraction has global environmental consequences, because the methane gas that is accessed through extraction and the carbon dioxide released during methane burning are both greenhouse gases that contribute to global climate change. New fracking technologies allow for the extraction of more gas, thus contributing more to climate change than previous natural gas extraction.

As politicians in Europe and the United States consider whether, and under what conditions, fracking should be allowed, the experience of Pennsylvania is instructive. Pennsylvania has seen rapid development of the Marcellus shale, a geological formation that could contain nearly 500 trillion cubic feet of gas — enough to power all American homes for 50 years at recent rates of residential use.

Some of the local effects of drilling and fracking have gotten a lot of press but caused few problems, while others are more serious. For example, of the tens of thousands of deep injection wells in use by the energy industry across the United States, only about eight locations have experienced injection-induced earthquakes, most too weak to feel and none causing significant damage.

The Pennsylvania experience with water contamination is also instructive. In Pennsylvania, shale gas is accessed at depths of thousands of feet while drinking water is extracted from depths of only hundreds of feet. Nowhere in the state have fracking compounds injected at depth been shown to contaminate drinking water.

In one study of 200 private water wells in the fracking regions of Pennsylvania, water quality was the same before and soon after drilling in all wells except one. The only surprise from that study was that many of the wells failed drinking water regulations before drilling started. But trucking and storage accidents have spilled fracking fluids and brines, leading to contamination of water and soils that had to be cleaned up. The fact that gas companies do not always disclose the composition of all fracking and drilling compounds makes it difficult to monitor for injected chemicals in streams and groundwater.

Pennsylvania has also seen instances of methane leaking into aquifers in regions where shale-gas drilling is ongoing. Some of this gas is “drift gas” that forms naturally in deposits left behind by the last glaciation. But sometimes methane leaks out of gas wells because, in 1 to 2 percent of the wells, casings are not structurally sound. The casings can be fixed to address these minor leaks, and the risk of such methane leaks could further decrease if casings were designed specifically for each geological location.

The disposal of shale gas brine was initially addressed in Pennsylvania by allowing the industry to use municipal water treatment plants that were not equipped to handle the unhealthy components. Since new regulations in 2011, however, Pennsylvania companies now recycle 90 percent of this briny water by using it to frack more shale.

In sum, the experience of fracking in Pennsylvania has led to industry practices that mitigate the effect of drilling and fracking on the local environment.

And while the natural gas produced by fracking does add greenhouse gases to the atmosphere through leakage during gas extraction and carbon dioxide release during burning, it in fact holds a significant environmental advantage over coal mining. Shale gas emits half the carbon dioxide per unit of energy as does coal, and coal burning also emits metals such as mercury into the atmosphere that eventually settle back into our soils and waters.

Europe is currently increasing its reliance on coal while discouraging or banning fracking. If we are going to get our energy from hydrocarbons, blocking fracking while relying on coal looks like a bad trade-off for the environment.

So, should the United States and Europe encourage fracking or ban it? Short-run economic interests support fracking. In the experience of Pennsylvania, natural gas prices fall and jobs are created both directly in the gas industry and indirectly as regional and national economies benefit from lower energy costs. Europe can benefit from lessons learned in Pennsylvania, minimizing damage to the local environment.

The geopolitical shift that would result from decreasing reliance on oil, and more specifically on Russian oil and gas, is one that European politicians might not want to ignore. And if natural gas displaces coal, then fracking is good not only for the economy but also for the global environment.

But if fracked gas merely displaces efforts to develop cleaner, non-carbon, energy sources without decreasing reliance on coal, the doom and gloom of more rapid global climate change will be realized.

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The views expressed in this piece are those of the authors and do not reflect the views of Pennsylvania State University, the University of Michigan, or Analysis Group.

03/13/2013 01:31 PM

Monsieur Unpopular

Hollande's Spectacular Fall from Grace

By Mathieu von Rohr in Paris

72,91

Never before has a French president fallen in public sentiment as quickly as François Hollande. Only 10 months after entering into office, his popularity rating is plummeting. An event aimed at getting closer to the people this week didn't help.

On a recent trip by [French President François Hollande](#) to the eastern city of Dijon, everything that could have gone wrong, went wrong. The visit earlier this week was intended to improve the president's miserable approval ratings and "renew direct contact with the French." Instead, Hollande found himself so clearly confronted with the wrath of the people as never before. He was visibly overwhelmed.

"Monsieur Hollande, where have your promises gone?" one young man hollered out to the president as he arrived in the working-class quarter of Les Grésilles. Two bodyguards immediately and violently carried the man out of the crowd. The image of the scene was too disastrous for the television news crews to pass up. Hollande's predecessor, Nicolas Sarkozy, once told a heckler to "get lost, you poor jerk!" He never lived the phrase down.

Before Hollande arrived, the police had already dispersed a group of unionists who were holding up a picture of early French Socialist leader Jean Jaurès, "to remind him that he's a Socialist." French newspaper *Le Monde* reported another resident was silenced after calling out to Hollande, "We're still waiting for your change, François!"

The 'President of Kisses'

After Hollande became the Socialists' candidate for president -- in the party's first-ever direct primary election -- he relished the public strolls that brought him closer to his supporters. They were scheduled at every campaign event, and Hollande was happy to take the time for them. So many elderly women wanted kisses on the cheek from him that, shortly after his election, he jokingly called himself *le président des bisous*, or "the president of kisses."

Since taking office 10 months ago, Hollande has experienced the fastest drop in popularity ever seen in French presidential politics. In June of last year, those who said they had confidence in him numbered between 51 and 63 percent, depending on the polling institute. That number is now 30 to 37 percent, nearing the lowest approval rating of any French president on record: Nicolas Sarkozy in May 2011, at 20 percent.

Something has changed among the people, evidenced by not just opinion polls, but also Hollande's two-day, meet-the-people trip to Dijon. A few hours after leaving behind the unhappy hecklers, Hollande asked a woman who was passing by if she wanted to take a photo with him. She answered coldly, "We see enough of you on TV."

As if that weren't enough, Hollande met another woman shortly thereafter who said to him, "Don't marry her, we don't like her in France." She was referring to Valérie Trierweiler, Hollande's long-time partner. The president fell silent in embarrassment until the woman had gone.

Unpopularity Spread across Political Spectrum

Hollande's advisors had imagined the trip differently. Instead of a few charming shots of the president shaking hands and kissing cheeks, they got a PR disaster. It didn't occur to them that this is what you get when you send a deeply unpopular president to meet everyday people without a clear message. Now Hollande's staff can at least see that there's something to the approval ratings after all -- and the French are following along on the evening news.

Hollande's biggest problem is that he's not just unpopular in one political demographic, but in many. That's true as much among parts of the Socialist Party base, which has already labeled light reforms and minimal budget cuts as betrayal, as it is among many centrists, who had expected more pragmatism from him. That's not to mention the right, which is just as incensed by Hollande's economic policies as it is by [his decision to legalize same-sex marriage](#).

Few pundits in France are wholeheartedly defending Hollande. Even in the left-wing media, which had previously been inclined to grant him favorable coverage, commentators are now accusing him of having no vision, doing too little, speaking publicly too seldom and leaving his government muddling through.

Disapproval Has Roots in Economy

Meanwhile, Hollande is [struggling](#) to find convincing counterarguments as unemployment has risen to 11 percent, [economic data looks more dismal by the week](#), industrial output is taking a nosedive and a recovery is nowhere to be seen. As long as the economy doesn't improve, no trip to connect with the people will be able to boost Hollande's popularity.

When Nicolas Sarkozy slid down to this low point of approval, he still took carefully choreographed trips into the public, where police had already weeded out any protesters or political opponents from the places he was to visit. But Hollande can't afford to do as Sarkozy, lest he make himself vulnerable to unfavorable comparisons with his former rival.

On the same evening in Dijon as the series of snubs and heckles, Hollande's advisors tried to correct the image. The fact that the police had forcibly removed the agitator displeased the president, he said, and next time they should show more "understanding." The next day he was back on the streets, tirelessly shaking hands in front of city hall -- so far, without incident.

03/13/2013 06:16 PM

72,93

Letter from Berlin

SPD Tries to Leave Reformist Past Behind

By [Charles Hawley](#)

The Agenda 2010 package of reforms German Social Democrats pushed through a decade ago played a huge role in the country's ability to weather recent economic crises. But the party itself has yet to recover -- and has abdicated its previous role as a driver of modernization.

When it comes to the euro crisis, the source of German smugness is not difficult to pinpoint. In 2003, just as economies were beginning to heat up in many of those countries now suffering mightily from brutal austerity packages, Chancellor Gerhard Schröder presented a painful list of welfare cuts and labor market reforms known collectively as Agenda 2010.

The aim was to trim the fat off of the country's social expenditures and streamline the economy. And it appears to have worked. Whereas myriad euro-zone member states are struggling to bring down persistently high budget deficits and improve economic competitiveness, Germany scores well on both counts. Indeed, its non-wage labor costs in 2011 were lower than those in France, Italy, Spain and Greece and only slightly higher than those in Portugal. Furthermore, wages in Germany grew much slower than the European average during the last decade.

In related news, German exports are booming.

But the reforms, which Schröder first presented on March 14, 2003, almost destroyed the Social Democrats. And now, with the general election just six months away, the party is once again having trouble striking a balance between taking credit for an economic success story and distancing itself from Schröder-era welfare cuts that many say have gutted solidarity in the country and exacerbated the abyss between German haves and have-nots.

This week, SPD head Sigmar Gabriel provided an impressive demonstration of the rhetorical tightrope walk his party's ambivalent position on Agenda 2010 requires. "We can be very proud of Agenda 2010. ... Though controversial, it was the correct decision," Gabriel told SPIEGEL ONLINE in a weekend interview. At the same time, his party on Sunday agreed on a platform that positions it far to the left of the Agenda reforms, with many planks designed specifically to distance itself from Schröder's legacy.

SPD Steps Back from Reform

The SPD, of course, is not alone in wanting to patch up some cracks left behind by the reforms. A measure that provided companies with more flexibility to employ temporary workers decimated the low-wage sector, leading to calls from all major parties, including Chancellor Angela Merkel's conservatives, for the establishment of a broad minimum wage to cover sectors where one has not yet been introduced.

But the SPD has largely retreated from its erstwhile role as driver of the reform bandwagon -- even as leading German economists are calling this week for policymakers to double down and push for an "Agenda 2020."

"The realization that there is still a great need for reform in addition to Agenda 2010 seems to have been forgotten by policymakers," said Christoph Schmidt, head of the committee of economic experts which advises the German government, in an interview with the Sunday edition of *Die Welt* over the weekend. He said it

needs to be easier for German companies to eliminate jobs and also suggested that the retirement age be raised once again from the current 67. Other leading economists joined the call, with Klaus Zimmerman, head of the Bonn-based Institute for the Study of Labor saying that a retirement age of 70 was "unavoidable." Gerhard Schröder himself this week likewise called for additional economic reforms.

With the Social Democrats having moved to the left recently, any such reforms are not likely to come from the center-left party and its chancellor candidate Peer Steinbrück. Indeed, despite Gabriel's insistence that Agenda 2010 is no longer a significant source of friction in the party, Schröder's visit to the SPD fraction in German parliament on Tuesday was notable in that it marked his first appearance before Social Democratic lawmakers since Nov. 21, 2005, just days before he lost the Chancellery to Angela Merkel. Officially, he was there to mark the 10-year anniversary of Germany's refusal to join the US in the Iraq invasion, but Agenda 2010 is the primary reason for his extended estrangement from his party.

The SPD's fear of identifying too closely with the reform package, which also included significant cuts to welfare payments and unemployment benefits, is understandable. In the immediate aftermath of the reforms, the party's membership numbers plunged, dropping from 690,000 to 590,000 in just two years. And the fall hasn't stopped since. In 2012, the party had but 484,000 members.

The Decline of the SPD

Many of the disgruntled leftists joined the far-left Left Party, which has siphoned off significant numbers of votes from the SPD in both state and national elections since then. Whereas the SPD had become accustomed to receiving well over 35 percent of the vote in general elections from the 1960s through the 1990s, it has been rough going recently. The 2005 election, when the party received 34.2 percent, was the SPD's second-worst result since the late 1950s. Then, in 2009, they received a paltry 23 percent, its worst-ever result since World War II. Currently, the party stands at 24 percent in the polls.

The decline is not solely due to Agenda 2010, of course. Germany's political party landscape has changed in recent decades, with the rise of the Green Party, the Left Party and, most recently, the Pirate Party. The increased number of options has meant that Merkel's conservatives have also seen their numbers decline. For the Social Democrats, however, the decline has been systemic. Following the passage of Agenda 2010, the country's trade unions -- traditionally the backbone of the SPD -- distanced themselves from the party.

In his interview with SPIEGEL ONLINE, Gabriel insisted that Agenda 2010 is no longer cause for inner-party strife. Yet it remains one of the reasons that Steinbrück, a staunch supporter of the reforms and well known for representing the party's more conservative wing, was a controversial choice as candidate among SPD leftists.

He too has been trying to walk a fine line this week as the 10 year anniversary approaches. "We should have been prouder of and more confident about" Agenda 2010 he said this week, adding that it formed the foundation for Germany's ability to withstand the most recent crisis.

But he quickly rebalanced on the tightrope. In response to a question about his party's new campaign platform, he asked rhetorically: "Why shouldn't the SPD position itself left of center?"

European Union: National budgets under Brussels' supervision

13 March 2013

Presseurop

72,94

Le Temps, Le Figaro

On March 12, the European parliament [voted to approve](#) “a restrictive directive that will oblige eurozone member states to present their planned budgets in Brussels, even before they are presented to national parliaments,” [explains Le Temps](#).

Set to come into force in the autumn of this year, the bill, dubbed the two-pack, has been designed to reinforce [the six-pack programme of reforms](#) adopted at the end of 2011, and amounts to a further step towards effective economic and monetary governance of the EU.

The terms of the directive should prevent any further budgetary mismanagement that could lead to another debt crisis, points out the Geneva daily. The newspaper continues —

Reading between the lines, the idea is to place states with unbalanced public finances under administrative supervision so that they do not endanger the eurozone as a whole. [...] [Sanctions will be levelled] against recalcitrant states which do not take into account the Commission's recommendations. All of this is based on the principle that budgetary mismanagement in Greece, Ireland, Portugal and Spain was the cause of the current crisis which plunged the wider eurozone area into recession.

In Paris, [Le Figaro describes](#) the directive as “the keystone of the European edifice.” With regard to France the daily points out, that “at the end of the day, the National Assembly will still vote on and assume entire responsibility for the budget. So strictly speaking, there has been no transfer of national sovereignty to the European level.” However, the newspaper also notes that —

in a context of controversy over austerity and growth, direct interference from Brussels, in advance of sovereign votes in national parliaments, could cause problems. “In the autumn, French MPs will see Europe enter into a budgetary debate, which they consider to be the most important of their few remaining prerogatives,” explains a source in the EU. “We will have to be very tactful...”

Zehn Jahre Agenda 2010

Auf Biegen und Brechen

13.03.2013 · Peer Steinbrück muss das Kunststück fertigbringen, sich im Wahlkampf in das Prokrustesbett der Agenda-Folgen zu spannen. Manchmal muss er sich dabei vorkommen wie ein Clown.

Von [Jasper von Altenbockum](#)

72,96

Die linke Mitte, in der sich die SPD im Wahlkampf einrichten will, ist mehr links als Mitte. Die SPD und ihr Vorsitzender Sigmar Gabriel wollen das als Ausdruck wiedergewonnenen Selbstvertrauens verstanden wissen. Die SPD, so schimmert es hinter jeder Zeile des Wahlprogramms hervor, stehe wieder zu sich selbst. Damit will die Partei aus dem langen Schatten treten, den die bittere Wahlniederlage von 2009 und die „Agenda 2010“ warfen.

Doch die Sozialdemokraten betreten damit nicht etwa Neuland, sondern begeben sich im Namen ihrer 150 Jahre alten Geschichte in die gute alte Zeit, in der die Ungerechtigkeiten der Industriegesellschaft durch Umverteilung des Wohlstands repariert wurden. Der Unterschied besteht darin, dass der vermeintlich nur nachteilende durch den „[vorsorgenden Sozialstaat](#)“ ersetzt wurde. Wer geglaubt hatte, die SPD löse sich von ihrer Staatsgläubigkeit, sieht sich also getäuscht. Sie sitzt so tief, dass sie der Partei sogar eine Tautologie wert ist.

Was soll die SPD aber auch tun? Hätte sie Schröders Husarenritt programmatisch fortgesetzt, hätte sich die SPD womöglich zu Tode geritten. Die „Agenda 2010“ war für Deutschland eine Reform, für die SPD eine Revolution. Wer heute sagt, das Land tanze angesichts der Spaltung der Gesellschaft in Arm und Reich auf einem Vulkan, weiß offenbar nicht, wie es ist, wenn es nach Schwefel riecht - etwa auf den „Montagsdemonstrationen“, die damals über Wochen und Monate Zehntausende mobilisierten, heute aber keinen Hund mehr hinterm Ofen hervorlocken. Vor zehn Jahren setzte sich die SPD als Regierungspartei selbst aufs Spiel. Links von ihr gründete das schlechte Gewissen der Sozialdemokraten eine Partei, die mittlerweile zwar wieder auf dem Rückzug in Richtung Osten ist, die es der SPD aber nicht erlaubt, dass sie in der linken Mitte mehr Mitte als links ist.

Wo liegt die „Mitte“?

Die SPD kann das mit einem lachenden und einem weinenden Auge betrachten. Die „Mitte“, das ist in Deutschland heute etwas ganz anderes als damals. Auch daran hat die Agenda Schröders mindestens so großen Anteil wie an der Sanierung eines verkrusteten Arbeitsmarkts. Sie legte den Grund dafür, dass die CDU, die nur wenig später in Leipzig ihre Sozialpolitiker aus der Ära Kohl zum Teufel jagte, in den Jahren danach den Rückwärtsgang einlegen musste. Denn die marktwirtschaftliche Radikalität der CDU, die sie damals zu ihrem Parteiabzeichen machen wollte, wurde nicht mehr gebraucht, um eine Machtperspektive zu entwickeln.

Mit dem Erfolg der Agenda wurde auch das soziale Gewissen wieder wach. Deutschland rückte nach links, wohin sich heute alle maßgeblichen Parteien bewegen, neuerdings - [Stichwort Mindestlohn](#) - selbst die FDP. Die SPD darf also, das kann sie mit dem lachenden Auge sehen, mit einigem Recht die Marktführerschaft beanspruchen. Mit dem weinenden Auge aber muss sie erkennen, wie sich neben der Linkspartei vor allem die Grünen zu einer Konkurrenz entwickelt haben - das unterscheidet die rot-grüne von der sozial-liberalen Machtperspektive.

Auch deshalb klammert sich die SPD an alte Gewissheiten. In dem seltsamen Zwischenreich, in dem sich die SPD seit Schröders Tagen bewegt, hatte sie schon zur Wahl von 2009 das „Industrieland“ entdeckt. Damals wirkte die Entdeckung noch wie eine Insel, auf die sich die SPD inmitten der Finanzkrise rettet. Dass daraus und zugleich aus der Agenda ein Vorbild für Europa werden könnte, war damals noch nicht abzusehen - ebenso

wenig, dass die Schulden, mit denen die Agenda finanziert wurde, die Schuld Deutschlands am Zusammenbruch des Stabilitätspakts sein würde. Im neuen Wahlprogramm ist aus der Insel im Zeichen der europäischen Schuldenkrise ein Land der Verheißung geworden, das sich die SPD von den Grünen aber auch von der CDU zurückerobert will: „Deutschland ist ein Industrieland und braucht auch in Zukunft eine starke Industrie als Basis einer wissensintensiven und wettbewerbsfähigen Volkswirtschaft.“

Die Hauptstadt in diesem Land ist vorerst aber nicht Berlin, sondern Düsseldorf. Der Sinn für ihre Ursprünge wird der SPD unter dem Stichwort „Industrie“ und „Arbeit“ von dort eingehaucht - von der Wirtschafts- über die Sozialpolitik bis hin zur Energiewende. [Dass die dortige Ministerpräsidentin sich zur Hoffnungsträgerin der SPD gemausert hat](#), ist ein Lohn für die Arbeit Sigmar Gabriels und Generalsekretärin Andrea Nahles, mit dem sie gar nicht gerechnet hatten.

Berechenbar war und ist dagegen, dass der Kanzlerkandidat der SPD nicht besser zur widersprüchlichen Situation der Sozialdemokratie passen könnte. Es ist ein Kandidat auf Biegen und Brechen. Peer Steinbrück wird das Kunststück fertigbringen müssen, sich selbst ins Prokrustesbett der Agenda-Folgen zu spannen, ohne im Wahlkampf wie ein Fremdkörper, wie ein Quereinsteiger, wie ein purer Wiedergänger der Schröderzeit zu wirken.

Das Wahlprogramm wird ihm dabei nicht allzu viel helfen - es enthält so gut wie alles, was er vor Jahr und Tag noch als gutgemeinten Humbug bezeichnet und genüsslich zerpfückt hätte. Manchmal muss er sich deshalb so vorkommen wie ein Clown.

Rückkehr an Kapitalmarkt

Irland feiert Erfolg mit einer neuen zehnjährigen Anleihe

13.03.2013 · Gute Nachrichten für Irland: Bei der Rückkehr der zehnjährigen Staatsanleihen auf den Kapitalmarkt ist die Nachfrage hoch. Auf dem Weg zur eigenständigen Finanzierung ist der Erfolg ein Meilenstein.

Von [Bettina Schulz](#), London

72,98



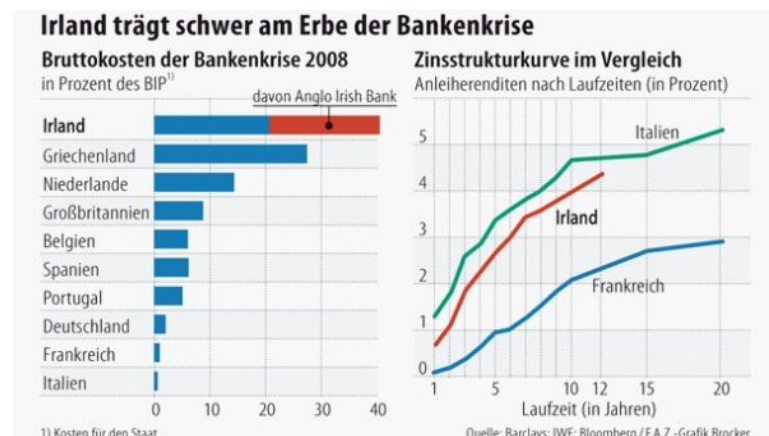
© Roger Hagmann Im Aufwind: Irlands Nationalflagge

Irland hat am Mittwoch das erste Mal seit drei Jahren wieder eine zehnjährige Anleihe begeben. Dublin hat dabei die Kapitalmärkte sowohl mit dem Umfang als auch mit der günstigen Rendite der Anleihe überrascht. Für die Inselrepublik war die Emission ein Meilenstein auf dem Weg, sich bis Ende des Jahres eigenständig an den Kapitalmärkten finanzieren zu können.

Die Nachfrage nach den Anleihen lag am Mittwoch mit mehr als 12 Milliarden Euro weit über den 5 Milliarden Euro, die Dublin am Markt aufnahm. Der Umfang der Emission war fast doppelt so groß, wie von Investoren erwartet worden war. Die neue Anleihe rentierte am Mittwoch bei etwa 4,15 Prozent und damit unter vergleichbaren Staatsanleihen von Italien und Spanien. Auf dem Höhepunkt der Irland-Krise im Sommer 2011 hatte die Rendite langlaufender irischer Anleihen zwischen 14 und 16 Prozent gelegen und die von zweijährigen Papieren bei 21 Prozent.

Erfolg ist wichtig für Ende des Rettungsprogramms

Angesichts der politischen Querelen musste Italien bei seiner Emission von 3,3 Milliarden Euro dreijährigen Papieren mit 2,48 Prozent wieder eine höhere Rendite bieten als noch im Februar. Spanien hat Emissionen für den heutigen Donnerstag angekündigt. Irland hat mit seiner Emission am Mittwoch den Großteil seiner langfristigen Finanzierung am Kapitalmarkt für dieses Jahr gestemmt. Im Januar hatte Dublin bereits eine fünfjährige Anleihe von 2,5 Milliarden Euro emittiert. Der Finanzierungsbedarf, den Irland dieses Jahr decken sollte, liegt insgesamt bei etwa 10 Milliarden Euro.



© F.A.Z.

Der Erfolg der Emissionen ist eine wichtige Voraussetzung für Irland, um aus dem Rettungsprogramm ausscheiden zu können. Der nächste Schritt für Irland wären regelmäßige, monatliche Kapitalaufnahmen am Markt. Dies wäre dann eine Voraussetzung, um die Bedingungen im Rahmen einer vorsorglichen Finanzierungszusage im Rahmen des OMT-Programms der Europäischen Zentralbank (EZB) zu erhalten. Die von der Troika vorgeschriebenen Ziele der Haushaltssanierung und Reformen hat Dublin alle eingehalten. Marktbeobachter wie die Konsortialbank Barclays, die an der irischen Emission am Mittwoch beteiligt war, erwarten, dass Irland nach Ende des Rettungsprogramms eine vorsorgliche Hilfszusage im Rahmen des OMT-Programms beantragen werde. Irland würde sich dann der weiteren Beobachtung der Troika stellen, hätte im Notfall aber die Rückendeckung der EZB, wenn es den Übergang vom Programmland zur Unabhängigkeit meistern muss.

Möglicherweise mehr Zeit für Rückzahlung

Es wird erwartet, dass die Ratingagenturen auf die Emission am Mittwoch positiv reagieren werden. Standard & Poor's setzte Irlands Ausblick im Februar bereits von negativ auf positiv hoch. Moody's hat noch einen negativen Ausblick und irische Anleihen in die höchste Kategorie von „Ramschanleihen“ eingestuft.

Irland war als relativ kleiner Staat vom Zusammenbruch seiner überproportional großen Banken überwältigt worden, als diese nach dem Platzen der Immobilienblase zusammenbrachen. Dublin pumpte Kapital in Höhe von 40 Prozent seines Bruttoinlandproduktes in die irischen Banken, vor allem in die frühere Anglo Irish Bank. Daraufhin entzogen die Investoren dem hochverschuldeten Land auf dem Höhepunkt der Schuldenkrise ihr Vertrauen und erzwangen so Ende 2010 eine Rettung Irlands mit einem Hilfspaket von 85 Milliarden Euro.

Dublin darf Schuldscheine in Anleihen tauschen

Irland hatte bei der „Rettung“ von Anglo Irish auf Anraten einiger Regierungen und der Europäischen Zentralbank darauf verzichtet, die Anleihegläubiger und Einleger von Anglo Irish mithaften zu lassen, um die Liquiditätskrise in der Bankenbranche nicht weiter eskalieren zu lassen. Deshalb wurde Dublin jetzt im Februar zugestanden, die für die Bankenrettung ausgegebenen Schuldscheine von 25 Milliarden Euro in langfristige Anleihen zu tauschen. Auch wurde Dublin mittlerweile in Aussicht gestellt, möglicherweise mehr Zeit für die Rückzahlung von Verbindlichkeiten aus dem Rettungspaket zu erhalten.

Die Durchschnittsrendite irischer Staatsschuldverschreibungen liegt derzeit bei knapp 4 Prozent mit einer durchschnittlichen Laufzeit nach dem Schuldscheintausch von gut 10 Jahren. In diesem und im kommenden Jahr wird die Schuldenquote bis auf letztlich 122,6 Prozent des Bruttoinlandproduktes steigen und dann sinken.

Pancarte "Casse-toi pov' con": la Cour des droits de l'homme condamne la France

AFP Mis à jour le 14/03/2013 à 11:03 | publié le 14/03/2013 à 10:19 [Réactions](#) (231)

72,100

La France a violé la liberté d'expression en condamnant pour [offense](#) à [Nicolas Sarkozy](#) l'homme qui avait brandi en 2008 une affichette "Casse toi pov'con" lors d'une visite présidentielle à Laval, a estimé aujourd'hui la [Cour européenne des droits de l'Homme](#).

La cour a jugé "disproportionné" le recours à une sanction pénale, qui risque selon elle d'avoir "un effet dissuasif sur des interventions satiriques qui peuvent contribuer au débat sur des question d'intérêt général".

En août 2008, sur le parcours du président de la République de l'époque, en visite à Laval, Hervé Eon avait exhibé un écriteau où était inscrite l'invective. Ce militant de gauche faisait référence au "Casse-toi pov'con" prononcé quelques mois plus tôt par Nicolas Sarkozy lui-même, au Salon de l'agriculture, à l'adresse d'un visiteur qui refusait de lui serrer la main en lui disant "ah non, touche-moi pas".

A Laval, Hervé Eon, un ex-travailleur social proche des mouvements altermondialistes, aujourd'hui âgé de 61 ans, avait été immédiatement interpellé par la police après avoir brandi son écriteau.

Le parquet avait pris l'initiative des poursuites pour offense au chef de l'Etat et la justice l'avait condamné en novembre 2008 à une "amende de principe" de trente euros avec sursis (le parquet avait requis 1.000 euros). Une décision confirmée par la suite en appel, et pour laquelle Hervé Eon n'avait pas obtenu de pourvoi en cassation.

Pour la CEDH, la phrase en cause était "littéralement offensante à l'égard du Président de la République", mais elle ne constituait pas pour autant "une attaque personnelle gratuite". Les juges estiment qu'il s'agit plutôt d'une critique "de nature politique" de la part de ce militant de gauche, à laquelle un homme politique s'expose "inévitablement et consciemment".

En reprenant une phrase prononcée par le président lui-même, Hervé Eon a par ailleurs "choisi le registre satirique", a ajouté la Cour. "Sanctionner pénalement des comportements comme celui de Hervé Eon est susceptible d'avoir un effet dissuasif sur des interventions satiriques qui peuvent contribuer au débat sur des questions d'intérêt général", a-t-elle poursuivi. Et le recours à une sanction pénale était donc "disproportionné", a-t-elle conclu.

Déficit: Paris espère échapper aux critiques de ses voisins

Par [Jean-Jacques Mevel](#) Mis à jour le 14/03/2013 à 09:25 | publié le 13/03/2013 à 19:12

72,101



Angela Merkel et François Hollande en décembre dernier, à Bruxelles. Crédits photo : © POOL New / Reuters/REUTERS

Un sommet européen s'ouvre ce jeudi soir. François Hollande souhaite que l'Union européenne y tourne le dos à l'austérité.

La France à la peine. [François Hollande](#) retrouve jeudi soir ses pairs européens pour la première fois depuis un double aveu dérangeant. La deuxième économie de l'euro ne respectera pas sa promesse de réduire son déficit d'État à 3 % en 2013. Pire aux yeux de certains, elle admet de la bouche même du président qu'elle ne fera pas grand-chose pour rectifier le tir dès cette année.

Le 3^e [sommet européen](#) de l'année ne décidera ni du sursis budgétaire demandé par Bercy, ni des réformes que Paris devra précisément garantir pour l'engranger. Ce sera l'affaire d'autres rendez-vous bruxellois en mai, juin et juillet, comme le précise l'Élysée. Jeudi et vendredi, c'est le cap qui sera précisé collectivement pour le reste de l'année. Mais cela ne veut pas dire que la France échappera à la critique, ou qu'elle peut desserrer les freins pour soulager la croissance et maintenir l'emploi.

«À huis clos, la discussion s'annonce musclée, avance un responsable en prise avec le sommet. Austérité contre croissance, c'est un faux débat: un État dont l'endettement frôle les 100 % n'a pratiquement aucune marge de manœuvre, sans même oser le mot de relance. L'Allemagne ne paiera pas, pas plus que les Pays-Bas ou la Finlande. L'assainissement budgétaire continue de s'imposer sans faille, avec la dose de souplesse prévue. Sans plus.»

«Traitement différencié»

Cette «flexibilité» ou traitement «différencié» pour reprendre le jargon européen, sera le point de passage obligé du sommet. Les dernières prévisions de l'UE ne laissent à vrai dire pas le choix. La facture s'amplifie. Le chômage, autour de 5 % en Allemagne et aux Pays-Bas en 2014, dépassera 25 % en Espagne et en Grèce. L'économie allemande a retrouvé haut la main son activité d'avant la crise, tandis que l'Espagne, l'Irlande et le Portugal peinent à sortir de la récession. Berlin prépare un budget 2014 en équilibre structurel. La France, elle, renonce à ses promesses...

Sans avancer d'objectifs précis pour les uns ou pour les autres, l'enjeu du sommet est donc de trouver dans une même règle du jeu l'équilibre politique qui satisfait tout le monde, marchés financiers compris. «Tous nos pays sont endettés et nos créanciers veulent être remboursés, observe l'ambassadeur d'un grand pays européen. Si

l'on va trop loin dans l'austérité, on tue l'économie et nous ne pourrons pas payer. Si au contraire la discipline s'effiloche, les taux d'intérêt s'envolent et l'euro sombre à nouveau dans la crise. La voie est étroite. Tout est affaire de persévérance et de crédibilité.»

Sur cette toile de fond, le souhait de la France de s'affranchir du lot commun, fût-ce provisoirement, inquiète quand il ne fait pas sourire. «Quand François Hollande aura entendu deux ou trois de ses collègues lui dire que la France a un sérieux problème de compétitivité et qu'elle exporte désormais moins de voiture que l'Espagne, ça peut l'amener à réfléchir», note un diplomate de haut rang. Un autre responsable ajoute: «La France en rupture? J'ai peine à y croire. Le président français se découvre sous haute pression politique à demeure. Mais ça, nous le subissons déjà tous...»

Bêtise et pingrerie de l'Europe au Sahel

LE MONDE | 13.03.2013 à 18h20 • Mis à jour le 13.03.2013 à 20h58

72,103



On ne voudrait pas [ajouter](#) au désenchantement européen. En ces temps de grosse déprime continentale, on rechigne à l'idée de [mettre](#) une nouvelle fois à nu la vacuité qui caractérise aujourd'hui l'idée européenne. Bref, on hésite avant de [jouer](#) encore les esprits chagrins en constatant la désespérante absence de l'[Europe](#) au chapitre de la [défense](#) et des [affaires étrangères](#).

Ce n'est pas un échec - lequel supposerait qu'on ait sincèrement essayé -, c'est une débâcle, une triste pantalonnade. Le [Mali](#) en témoigne, magistralement. Et ce fut tout particulièrement le cas lors du conseil des 27 ministres des affaires étrangères réuni lundi 11 mars à Bruxelles. La France s'y est sentie plus seule que jamais depuis le début des opérations militaires au Sahel.

Avec la fermeté courtoise, un tantinet distante, qui est sa marque, [Laurent Fabius](#) en fut réduit à quémander 30 soldats pour le Mali auprès de la [Belgique](#) et de l'[Espagne](#). Pas 300, 30 ! Pourquoi ? Parce qu'il en manque encore 90 pour protéger les 500 instructeurs que l'[Union européenne](#) a dépêchés à Bamako pour [former](#) l'[armée](#) malienne.

Ces 90 soldats, il faut les "arracher" un par un aux 27 pays de la riche Europe, celle qui se targue volontiers d'être l'une des toutes premières puissances économiques mondiales. Disons les choses comme elles sont : les réticences belges ou espagnoles ne sont pas d'ordre [politique](#) ni même financier. C'est bien plus simple : Bruxelles et Madrid se fichent éperdument de ce qui peut bien se [passer](#) dans les sables du Sahel.

L'hypocrisie triomphe. Sur le papier, les Vingt-Sept sont d'accord. La stabilité de l'[Afrique](#) dépend très largement de l'extinction du foyer djihadiste qui se propage au Sahel, disent les Européens ; il en va aussi de la sécurité de l'Europe, si proche et si vulnérable, au terrorisme islamiste, ajoutent-ils.

Mais ce ne sont que des mots. Quand il faut [agir](#) ensemble, il n'y a plus personne ou presque. Certes, [Paris](#) a eu le tort, au départ, de [lancer](#) ses troupes sans consultation avec ses partenaires. Mais il eût fallu ensuite une vraie solidarité européenne, l'affichage d'un intérêt commun, défendu ensemble - en somme, un partage du fardeau qui devra être porté à l'[avenir](#). Il eût fallu [manifester](#) une présence forte de l'Union dans cette partie du monde, sauf à [laisser](#) la [Chine](#), les Etats-Unis ou d'autres [devenir](#) les partenaires privilégiés des Africains au XXI^e siècle.

Hélas, l'Europe n'affiche que désunion pathologique et pingrerie aveugle. Seuls cinq pays sur vingt-sept sont vraiment engagés dans la mission de formation de l'[armée](#) malienne. Au-delà des déclarations sentencieuses sur la nécessité d'un "plan de stabilisation politique et économique du Sahel", la réaction à peine voilée de la plupart des 27 aux événements du Mali tient en une phrase : "*Que la France se débrouille !*" Et tant pis pour la contradiction qu'il y a à soupçonner les Français de velléités postcoloniales et de les [laisser](#) en première ligne dans l'Afrique francophone...

L'Europe fuit l'Histoire. Elle le paiera, un jour.

"Au Parlement européen de barrer la route à l'austérité et aux populismes"

LE MONDE | 13.03.2013 à 15h12 • Mis à jour le 13.03.2013 à 16h02 Par Daniel Cohn-Bendit et Yannick Jadot, députés européens, groupe Les Verts-Alliance libre européenne 72,104

Les électeurs italiens ont sanctionné la [politique](#) exigée par l'[Union européenne](#) et menée par le président du conseil sortant, Mario Monti : la rigueur budgétaire sans relance. Au-delà de traditions antiparlementaires que certains veulent [voir](#) comme un exotisme spécifiquement transalpin, le constat s'impose aux élites européennes : l'austérité technocratique n'est pas la vision du monde qu'attendent les citoyens.

C'est pourtant cette vision que tentent toujours d'[imposer](#) ses dirigeants à l'UE. Car, la crise des dettes souveraines étant passée par là, les égoïsmes nationaux ne se sont jamais manifestés avec autant de cynisme. Pour la première fois, les chefs d'Etat et de gouvernement, transformés en autant de [Margaret Thatcher](#), ont revu le budget de l'Union à la baisse, acceptant les oukases du premier ministre britannique, [David Cameron](#), et de la chancelière allemande, [Angela Merkel](#), succombant aux marchandages indécents du président du Conseil européen, [Herman Van Rompuy](#).

Le budget européen n'est pas celui d'un 28^e Etat supranational. C'est avant tout un budget de solidarité, de redistribution et d'investissement. En refusant de se [doter](#) d'une capacité commune de relance, ces dirigeants ne nous infligent pas seulement l'austérité, ils nous empêchent de reconquérir à l'échelle européenne une partie de la souveraineté abandonnée depuis des années aux marchés et à la finance.

Précisons que ce budget ne représente que 1 % du produit intérieur brut (PIB) de l'UE, vingt-cinq fois moins que le budget fédéral des Etats-Unis. Le réduire serait une nécessité ? Risible. [Couper](#) dans les budgets consacrés à la recherche et à l'innovation, à la cohésion, aux réseaux européens d'énergie, de transport et de télécommunication, au verdissement de la politique agricole commune et à la solidarité internationale relèverait de l'intérêt général ? Ridicule.

La parodie de souveraineté nationale que jouent nos dirigeants nous condamne à la victoire des populismes de droite comme de gauche - qu'ils se parent de bonnets phrygiens ou de marinières. Quoi de plus facile que de s'[engouffrer](#) dans l'espace béant de désillusion démocratique qui se creuse entre les discours forgés dans le repli national et la réalité des pouvoirs tels qu'ils sont exercés par les Mittal et autres géants multinationaux, d'un côté, et les Depardieu anonymes, de l'autre ?

Pendant que les premiers jouent du chantage permanent à l'[emploi](#) pour récolter les subventions publiques tout en restructurant mondialement leurs activités, les seconds jouent de la concurrence fiscale entre pays de l'UE. Tous piétinent l'idée même d'une fiscalité européenne juste et progressive, et imposent à des Etats impuissants leurs logiques de dumping [social](#), environnemental et fiscal.

L'exemple italien, après beaucoup d'autres, démontre que l'approche gestionnaire du statu quo libéral ne nous sauve ni de l'échec ni de la montée des extrêmes qui l'accompagnent inéluctablement. Faut-il que nos imaginaires politiques soient à ce point marqués par l'espace national pour que nos dirigeants fassent le choix du renoncement face aux marchés plutôt que celui d'une souveraineté partagée ? Qu'ils préfèrent [miser](#) sur toujours plus de libéralisme, plutôt que sur la régulation et une relance de l'économie par l'investissement durable ? Ces dirigeants réalisent-ils qu'en se privant d'un budget européen ambitieux, après [avoir](#) imposé aux Etats une discipline fiscale exercée par la seule Commission européenne, ils coupent la branche démocratique sur laquelle ils sont assis ?

Parce qu'il a le [pouvoir](#) de [voter](#) contre le budget proposé par le Conseil, le Parlement européen a rendez-vous avec l'Histoire. Sa longue marche en avant entamée en 1979 le conduit à [avoir](#) le sort de la démocratie européenne entre les mains. Elu par les Européens, il a les moyens de s'[opposer](#) à la thérapie de choc imposée par des Etats oublieux de leurs devoirs. Il a les moyens de refaire de l'UE un espace démocratique.

La reconquête portée par le Parlement serait donc double. Face aux marchés d'abord, pour [redonner](#) à la politique le [pouvoir](#) d'[agir](#) au service des citoyens. Cela passe par un budget plus ambitieux et des politiques adaptées : mutualisation des dettes, harmonisation fiscale, ressources propres, pacte social de solidarité, lutte contre le dérèglement climatique, engagement d'une troisième révolution industrielle fondée sur la transition écologique. C'est le moment de se défaire de tous les conservatismes et de [renouer](#) avec le progrès et la prospérité partagée.

Face aux Etats ensuite, qui voudraient [faire croire](#) que préserver le monde ancien relève du courage politique et qui, plutôt que d'[assumer](#) leurs décisions, préfèrent [doter](#) la Commission européenne de pouvoirs immenses sans aucune contrepartie démocratique ! Le Parlement doit [assumer](#) la codécision budgétaire et [proposer](#) les modalités d'un contrôle démocratique dans lequel se reconnaissent les citoyens européens.

Le combat pour la démocratie européenne est engagé au Parlement. Mais déjà, en France ou ailleurs, les députés européens subissent les pressions de leur gouvernement pour [obtenir](#) allégeance à la politique nationale, et les discours proeuropéens enflammés d'hier commencent à se [diluer](#) dans d'improbables explications.

Le groupe des Verts-Alliance libre européenne (ALE) refuse le sacrifice de l'[Europe](#) et défendra le droit du Parlement de [voter](#) non, pour [forcer](#) une renégociation. Après le fiasco italien, il en a plus que jamais le [devoir](#) !

Daniel Cohn-Bendit et Yannick Jadot, députés européens, groupe Les Verts-Alliance libre européenne

Parliament Rejects European Budget Agreement

By [JAMES KANTER](#)

BRUSSELS — The lawmakers of the [European Union](#) gave austerity a poke in the eye Wednesday by overwhelmingly rejecting the bloc's proposed budget of €960 billion in its current form.

E.U. leaders deadlocked over the seven-year plan in November but finally reached a deal last month after a 24-hour marathon of talks that resulted in spending cuts for the first time in the Union's history.

Lawmakers at the [European Parliament](#) cast doubt on that plan Wednesday, casting 506 votes in favor of a resolution demanding significant changes to the way the money should be spent and the option to raise the overall sum in the coming years. There were 161 votes against the resolution and 23 abstentions.

The Union's budget — for farming, transportation and other infrastructure, and big research projects — amounts to about 1 percent of the bloc's estimated gross domestic product over its seven-year span. But it involves furious horse-trading as leaders focus on getting the best deal for their own countries, rather than putting the emphasis on pan-European considerations.

The opposition from the Parliament, which was given the formal power to veto budgets under the Lisbon Treaty of 2009, presents a significant hurdle. As a result of the vote Wednesday, the governments of the Union's 27 member states must now work out another compromise — this time with Parliament. The process could take months.

“It was foreseeable that the European Parliament would refuse,” Martin Schulz, the president of the legislature, said at a news conference shortly after the vote. “We don't want to see the European Union going in the direction of a deficit union.”

Mr. Schulz was referring to resistance by some national governments to allocating more money at the start of each year to ensure that projects are fully funded from 2014 to 2020, the period of the budget.

The Parliament's resolution called on E.U. governments to settle their outstanding bills and to give scope to the Parliament and to E.U. governments to move funds among different areas of the budget to meet needs as they arise. That means money that might ordinarily go unspent would be spent, but without changing the overall budget figure.

But the resolution also called for a review of the budget with the possibility of increasing spending. Many members of Parliament said that raising the overall amount of the budget should be an option, particularly if the economic crisis now gripping the Union tapered off. The decision about who would conduct the review is likely to be an important part of the negotiations in coming months.

Asked about the vote in the European Parliament, the spokesman for the British prime minister, David Cameron, said that his view on the budget deal was “clear and unchanged.”

“The E.U. 27 have set a credit card limit, and that is the right agreement,” said the spokesman, referring to the budget ceiling for 2014-20 agreed to at the last summit meeting. He asked not to be identified, in line with British government policy.

The European Parliament has increasingly become a force to be reckoned with since the Lisbon Treaty. Most notably, in early 2010, it rejected an interim agreement with the United States on sharing information about

bank transfers that was intended to help in tracking suspected terrorists, partly on the grounds of privacy concerns.

The Parliament later voted to resume the system on condition of guarantees to ensure protections of citizens' personal information.

Mr. Schulz said he would formally present the resolution voted on Wednesday to E.U. leaders when they gathered in Brussels for a two-day summit meeting on the bloc's economy starting Thursday evening.

Austerity also could be a core topic at the meeting if leaders of countries like Spain and France seek to emphasize the need for measures to support growth against calls by leaders of countries like Germany and Finland for budgetary discipline.

Another focus of the meeting is expected to be Cyprus, the latest euro zone country to require a bailout.

The leaders of the 17 countries of the euro area will hold a separate meeting on Thursday night that is to be attended by the newly elected center-right president of Cyprus, Nicos Anastasiades.

Then, on Friday, euro zone finance ministers are expected to assess ways of overcoming the remaining obstacles to a deal.

Cyprus may require about €17 billion, or \$22 billion, in aid from the so-called troika — the International Monetary Fund, the European Commission and the European Central Bank — of which up to €10 billion is needed to shore up the banking sector. That is a small amount compared with what has been pledged to Greece but a huge sum for Cyprus, which has a gross domestic product of only about €18 billion.

The scale of the country's needs has prompted concern about how it could ever repay the money. There are also acute concerns over money laundering.

Another contentious issue is whether troika members will force Cypriot bank depositors to take losses in order to make the country's debt more manageable.

Stephen Castle contributed reporting from London.

Of scissors and biting

Inequality in Germany has been falling. But it is still firing political passions

Mar 9th 2013 | BERLIN | [From the print edition](#)



THE effusions of bureaucracy rarely get Germans riled. Not so with the “fourth poverty and wealth report”, presented this week by Ursula von der Leyen, the social-affairs minister. Overall, it shows that Germany is doing quite well. But Philipp Rösler, the liberal economics minister, insisted on cutting out any words suggesting that inequality might justify more redistribution through taxes. The opposition trumpeted a scandal. On the nightly talk shows, their politicians now talk of a crisis in social justice that necessitates a change of government in September.

Gerechtigkeit, meaning “justice” but often conflated with equality, has become a big election issue. Next to such subjects as the euro crisis or energy reform, where the parties’ positions are muddled, it has the advantage of familiarity, just as “family values” resonate in America. The preferred metaphor for the Social Democrats (SPD) and Greens is of “social scissors” opening ever wider. The ex-communist Left Party calls for “biting upward”.

Social justice links many issues in voters’ minds. The upper-house Bundesrat, now controlled by the left, has begun a push for a federal minimum wage. A referendum in Switzerland to curb corporate pay has sparked enthusiasm for something similar in Germany. The liberalising labour and welfare reforms enacted ten years ago (by an SPD-Green government) are now maligned. And the left wants to raise income and inheritance taxes, and introduce new levies on wealth.

This focus on inequality puts the ruling coalition of Angela Merkel, the chancellor, in a tight spot, as the spat between Mr Rösler and Mrs von der Leyen shows. The coalition consists of Mrs Merkel’s Christian Democratic Union (CDU), its Bavarian sister, the Christian Social Union (CSU), and the Free Democratic Party (FDP). The two Union parties are conservative but rooted in Catholic and Lutheran views on social solidarity. Mrs von der Leyen is among those in the CDU who overlap with the centre-left. Only the liberal FDP defends free markets on principle—and as it flounders in the polls, even it is softening.

Mrs Merkel has herself sidled leftward on some issues, though holding the line on others, such as calls for wealth taxes. The CDU has crawled rhetorically closer to accepting a minimum wage. It is also talking of caps on executive pay. Mrs Merkel hopes to steal enough votes from the left to stop any party forming a government without her. That way, if the FDP is ejected from parliament, she could join with either the SPD or the Greens.



Yet amid these manoeuvres, the politicians do not always look honestly at social justice. DIW, an economic think-tank in Berlin, says that inequality rose significantly after German reunification; but that it has fallen a bit since 2005 (see chart). Awkwardly for the left, that is when Angela Merkel became chancellor, in coalition first with the SPD, then with the FDP.

This is the opposite of what the public believes. According to a study by Allensbach, a polling institute, 69% of Germans think wealth and income are unfairly distributed, and almost two-thirds believe inequality has risen in the past few years. That is good news for the left. On the other hand, the Allensbach study shows that Germans take a more nuanced view of social justice than merely seeing it as a synonym for equality, as the left would like.

For a proper analysis, the Initiative for a New Social Market Economy (INSM), a think-tank largely financed by the metal and electronics industries, commissioned a study comparing Germany with 27 other members of the OECD club of rich countries. Besides income inequality, it considers how countries assure basic security for the weak (eg, through health care), reward talent and effort with higher incomes, guarantee access to the law and balance burdens between generations. It also measures equality of opportunity, which is mainly about access to good education.

The good news for Germany is that overall it ranks seventh, behind only perennial supermodels like Scandinavia, as well as New Zealand and such neighbours as Austria and the Netherlands. It comes far ahead of Britain and America. The bad news, says Dominik Enste, the study's author, is that on equal opportunities, the country ranks a lowly 14th. And this is the aspect Germans care about most.

A campaign for more equal opportunities would be welcome. Germany is good at giving young adults jobs—it has Europe's lowest youth unemployment rate, at 8%. But it is harder than in many other countries for women to work full-time. Mrs von der Leyen thinks this is because Germany, like Austria, has mainly part-time schools and too few pre-school places. And though it has a strong dual-education system that trains pupils for industrial jobs, Germany has found school reform hard and lags behind other countries in such measures as teacher-pupil ratios. Germany remains a huge social and economic success, something that it often seems unGerman to savour. But it is not doing well on equal opportunities in education.

Daily chart

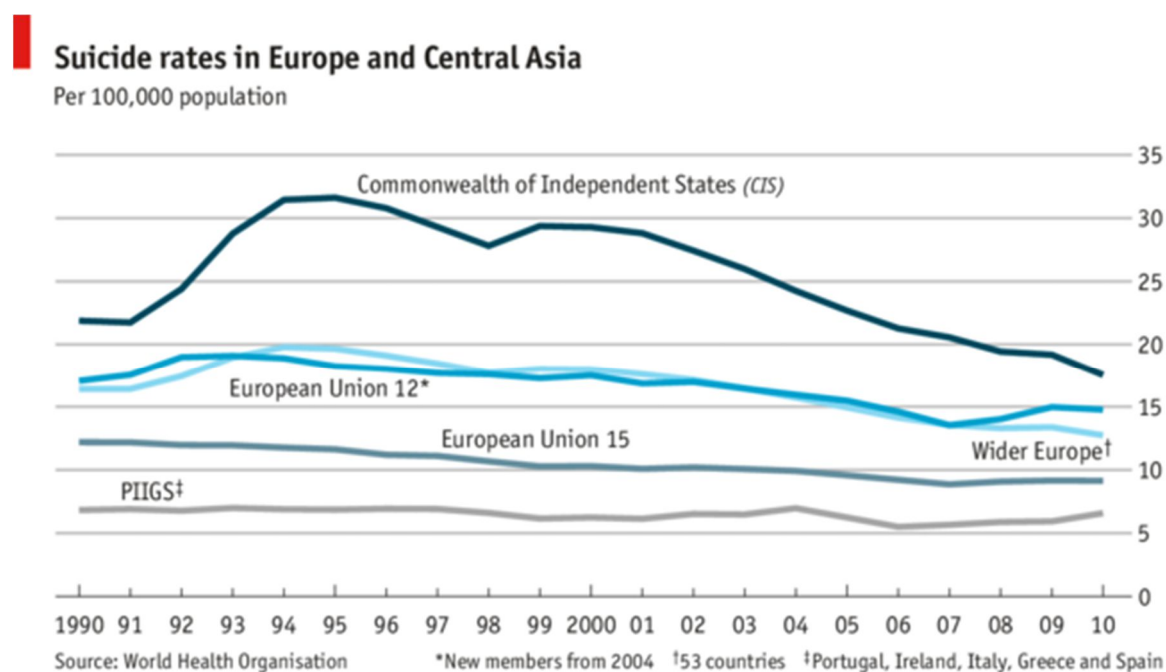
Capitalism makes you happy*

Mar 13th 2013, 17:52 by Economist.com

72,110

Suicide rates in Europe since 1990

THE World Health Organisation has produced [some fresh data](#) on the health, or otherwise, of Europeans. We have picked out suicide rates, which have declined in most of Europe since the early 1990s except for a slight uptick since 2007, which may or may not have something to do with the onset of the financial crisis. What's more interesting, though, is the effect of the collapse of the Soviet Union on the suicide rate in the Commonwealth of Independent States (CIS)—the countries that were once members of the USSR (excluding the Baltic states). Those who disapprove of the way that market economies force people to compete with each other might point to the spike in suicide rates in the CIS after 1989 (something which may be down to different methods of data collection). Those who, like *The Economist*, take the opposite view will point to the marked decline in suicide as the CIS countries sloughed off one system and embraced another. *Discuss.



The Irish Times - Ireland

Cameron should not defend austerity policy

In a speech delivered last Thursday, **the British Prime Minister David Cameron stressed that in his view the UK's only path to recovery leads through austerity**. The left-liberal daily Irish Times can't understand why Cameron is still defending his austerity policy: "The incoming coalition embarked on a program of austerity with the emergency budget of June 2010. The economy, then showing signs of recovery, has since stagnated. Even the fiscal outcomes are poor. Indeed, according to the latest 'green budget' from the authoritative Institute for Fiscal Studies, this fiscal year's borrowing requirement may be bigger than last year's. Only a productivity collapse saved the day - by keeping unemployment surprisingly low, ameliorating the social impact of the output disaster. **How does one defend this record?**" (13/03/2013)

» **full article** (external link, English)

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All available articles from » **Martin Wolf**

European Leaders Stick to Austerity Course

By [JAMES KANTER](#) and [ANDREW HIGGINS](#)

BRUSSELS — Jeered by angry protesters demanding an end to austerity and shaken by a resounding rejection of their economic strategy from Italian voters, European leaders gathered for an economic summit meeting Thursday **amid few signs that the bloc's policies were healing the twin blights of rising unemployment and recession.**

Instead of bowing to a rising anti-austerity tide, however, leaders seemed determined to stay the course, insisting that only budget cuts and other measures to restore financial stability could return the continent to economic growth and create jobs.

Speaking as thousands of protesters gathered just out of earshot in a nearby Brussels park, **Herman Van Rompuy**, the president of the European Council, the body that organizes the leaders' summit meetings, emphasized "green shoots" of recovery and said growth was returning, albeit slowly.

Officials of the European Union have repeatedly predicted a return to growth, **only to be disappointed** by data showing rising unemployment and continuing recession in the euro area.

The economy of the 17-member euro zone is expected to shrink for a second consecutive year in 2013, and growth for the whole of the 27-nation European Union is forecast to be about 0.1 percent. Unemployment in Spain and Greece, the hardest-hit countries, has soared above 25 percent.

Mr. Van Rompuy acknowledged "social distress" and said **the success of anti-austerity and anti-establishment parties in the recent Italian elections** was something that the leaders needed to consider. But he insisted that the departing Italian prime minister, **Mario Monti**, who was roundly defeated in the elections last month, had done "an excellent job" and that Italy and **the European Union should "stick to the same general direction of the last 12 months."**

Italy is effectively without a functioning government after the Five Star Movement, led by Beppe Grillo, a comedian turned activist, made stunning gains in both houses of Parliament in the elections. Five Star has rejected an appeal by the Democratic Party to work together to lead the country. Without an alliance, the Italian government could limp along for as long as a year, political analysts say, before a likely collapse would force new elections.

The Brussels meeting is meant to focus on the **tougher budgetary oversight** agreed upon over the last two years to combat the kinds of extreme debt and deficit problems in many countries that nearly brought down the euro currency union. **Leaders were also expected to endorse a strategy that should give France, Spain and Portugal more time to meet their deficit-reduction goals, on condition that they stick to a path of cutting debt.**

Protesters, even if they were aware of such concessions, were clearly unconvinced.

"All they do is cut, but we need jobs," said Michael Mercier, a worker at a Belgian prison for juveniles who took part in an anti-austerity rally organized by trade union groups in Parc du Cinquantaire, near the site of the summit meeting and the headquarters of the European Commission, the bloc's executive arm.

"This is all the fault of the E.U.," said Mr. Mercier, who added that the way the bloc was run mixed "too many different things in the same big pot, and this causes problems for everyone."

One group of demonstrators managed to enter an annex of the European Union's principal economic policy-making arm, the European Commission's Directorate General for Economic and Financial Affairs, and staged a protest meeting in the cafeteria.

"We occupied their building to denounce the misery they are imposing on millions of Europeans," said Michel Vanderopoulos, a spokesman for the group, which organized the protest, called "For a European Spring." He said those who took part came from Belgium, Germany, Italy and Denmark.

The annex houses some of the officials who form part of the "troika" of international lenders detested by many people in countries like Greece and Portugal for its role in demanding painful belt-tightening in exchange for bailouts.

A spokesman for the commission said the protest lasted about 15 minutes and did not involve any violent confrontations. "The Belgian police arrived on scene, and the protesters left of their own accord," the spokesman said.

At the meeting, the increasingly acrimonious dispute over austerity pitted those who favor budget discipline — the European authorities and leaders of countries like Germany and Finland — against countries like France and Spain and groups like trade unions, which favor more government spending to promote growth.

The cracks were visible at the same news conference where Mr. Van Rompuy spoke, after a "social summit" of European officials, business groups and trade unions ahead of the main meeting.

"The doubt about the benefit of the European Union is showing more and more," said Bernadette Ségol, the general secretary of the **European Trade Union Confederation**. "The burden is being put on the people. Unemployment is up and up and up every month. When is the growth going to come? What are we going to do to get it?"

Ms. Ségol called for the political will to increase investment and halt the focus on reducing deficits. She implored the leaders gathering in Brussels to recall that "we are dealing with people; they have feelings, and they also have the right to vote, and this is something that maybe cannot be explained in tables or figures."

The dour forecasts have served to sharpen the debate over whether the emphasis on austerity has generated a painful cycle in which government cuts sap tax revenues and consumer demand, worsening an already bleak outlook.

The concern about growth and jobs is also prompting a return to calls for Germany, with its strong economy, to do a good deal more to help its struggling neighbors.

That is a topic that Angela Merkel, the German chancellor, has sought to avoid before national elections in September and amid continued concerns among voters that financial support for the euro area from German taxpayers could badly dent the nation's resurgent prosperity.

Arriving at the meeting, **Ms. Merkel** sought to emphasize the efforts the European Union had already made to fight joblessness.

"We have decided on a **growth pact** in the summer of last year, and now this growth pact has to be filled with life," Ms. Merkel said. "The money is there, but it has to reach the people, so the young people in Europe get jobs and we still do everything to become competitive and grow."

Guntram B. Wolff, the deputy director of Bruegel, a research organization, wrote this week that it was critical to support efforts like programs to create jobs for youth. But in addition, he said, **"Germany will have to play a role" to stimulate demand in the region and enable other members of the euro area, like Spain, to benefit from export-led growth.**

"The euro area's recession has deepened significantly according to all available indicators," Mr. Wolff warned. "Urgent action is needed to prevent that the recession turns into an outright depression."

Gipfel in Brüssel

EU verbrämt ihre wirtschaftspolitischen Konflikte

14.03.2013 · In Brüssel beraten die Staats- und Regierungschefs der EU über die sozialen Folgen der Krise. **EU-Ratspräsident van Rompuy deutet finanzpolitische Lockerungen an und unterstützte damit Frankreichs Präsident Hollande, der sich abermals gegen eine „strikte“ Sparpolitik aussprach.**

Von [Werner Mussler](#), Brüssel

72,114



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Die EU-Staaten wollen generell an der Konsolidierung der öffentlichen Finanzen festhalten, zugleich aber versuchen, für mehr Wachstum zu sorgen. Mit dieser Kompromissformel haben die EU-Staats- und Regierungschefs auf ihrem Gipfeltreffen in der Nacht zum Freitag ihren schwelenden Streit über die künftige Wirtschafts- und Finanzpolitik in der EU vorläufig entschärft. Mehrere europäische Politiker nannten als vorrangiges Ziel den Kampf gegen die Jugendarbeitslosigkeit. Diese liegt in einigen Krisenländern wie Spanien und Griechenland bei mehr als der Hälfte der nach Beschäftigung suchenden jungen Menschen.

EU-Ratspräsident **Herman Van Rompuy** sagte nach der ersten Runde der Beratungen am Donnerstagabend, alle Beteiligten seien sich **der wachsenden sozialen Spannungen in der EU bewusst**. Sie bildeten eine **Herausforderung**, auf die es **„keine einfachen Antworten“** gebe. Zu Beginn des Treffens hatte Bundeskanzlerin Angela Merkel (CDU) an den im Juni 2012 beschlossenen „Wachstumspakt“ erinnert. Dieser müsse nun mit Leben erfüllt, die darin zur Verfügung gestellten Mittel müssten jetzt abgerufen werden. „Geld ist genug da, jetzt muss das Geld zu den Menschen kommen“, sagte Merkel. **In der Diskussion der Staats- und Regierungschefs über die angemessene Finanzpolitik blieben die Meinungsunterschiede erhalten**. Van Rompuy sagte, die EU strebe „strukturell gesunde“ Staatsfinanzen an. Das deutet auf Unterstützung der EU-Staaten für die absehbare Linie der EU-Kommission hin. **Diese wird in den laufenden Defizitverfahren voraussichtlich jenen Staaten mehr Zeit zur Konsolidierung geben, deren Staatsdefizit nur nominal über dem Maastrichter Referenzwert von 3 Prozent des Bruttoinlandsprodukts liegt**. Soweit das Defizit dieser Länder **„nur“ konjunkturbedingt über 3 Prozent liegt**, dürften sie mit Milde rechnen. **Besonders Frankreich hofft auf einen Brüsseler Aufschub**.



© dpa Luxemburgs Regierungschef Juncker (l) und Frankreichs Präsident Hollande in

Brüssel

Der französische Präsident **François Hollande** hatte zu Beginn des Treffens gesagt, nun müsse die Wachstumsförderung absolute Priorität haben. Eine gewisse „haushaltspolitische Flexibilität“ sei deshalb unabdingbar. **„Wenn wir zu rigide sind, würden wir das Wachstum ab. Zu viel Striktheit bedeutet zu viel Arbeitslosigkeit“**, sagte Hollande. Der luxemburgische Premierminister **Jean-Claude Juncker** sagte, **zwischen Haushaltskonsolidierung und Wachstumsförderung bestehe kein Widerspruch. Zu einer strikten Sparpolitik gebe es keine Alternative: „Wir können die öffentliche Verschuldung nicht dadurch bekämpfen, dass wir neue Schulden machen.“** Allerdings würden sich die verantwortlichen Politiker sicher eine gewisse „intellektuelle und handwerkliche Geschmeidigkeit“ bewahren.

Der im Juni 2012 beschlossene Wachstumspakt umfasst insgesamt 120 Milliarden Euro. Er soll die gezielte Förderung kleiner und mittlerer Unternehmen sowie junger Arbeitsloser ermöglichen. Dabei handelt es sich aber weitgehend um schon vorhandene Mittel, die damals umbenannt oder umgewidmet wurden. Das Gipfeltreffen war begleitet von Protestkundgebungen europäischer Gewerkschaften gegen die Sparpolitik in Europa.