

Zypern vergibt eine Chance für Europa

21.03.2013 · In Zypern hatte Europa eine Chance: Endlich hätten die Bankgläubiger an den Kosten der Rettung beteiligt werden können. Doch jetzt trifft es wohl wieder die Steuerzahler.

Von [Patrick Bernau](#)

In Zypern war Europa ganz nah dran. Ganz nah an einer Lösung, wie sie in der Eurokrise immer wieder hilfreich gewesen wäre. An der Last der kippelnden Banken wären zwei Gruppen immerhin nennenswert beteiligt worden: Erstens die Aktionäre der Banken, weil ihre Aktien jetzt fast wertlos sind. Und zweitens die Besitzer von Bankguthaben, also die Gläubiger der Banken, die sonst weitgehend ungeschoren davongekommen sind.

So wünscht man sich Rettungskonzepte häufiger - und nicht einmal die Finanzmärkte wurden unruhig. Das hätte ein Vorbild für Europa sein können. Es war eine Chance.

Es fehlten nur noch ein paar wichtige Änderungen in der Lastenverteilung zwischen den Gläubigern: vor allem, die kleinen Sparer mit Einlagen bis 100.000 Euro auszunehmen und die Last dafür auf die großen Einlagen zu verteilen.

Zypern schafft die wichtigste Änderung nicht

Doch an diesem Konzept ist Zypern offenbar gescheitert. Die Aktien sind zwar immer noch fast wertlos. Aber die Guthabenbesitzer werden nach aktuellem Stand so weit entlastet, dass ihr Anteil unkenntlich wird. In den vergangenen Jahren hatten sie hohe Zinsen bekommen - nun sollen sie [nur noch einen Restbetrag bezahlen](#), die größte Menge ihres Anteils schultert der zyprische Staat. Und mit ihm die Steuerzahler.

Nach ersten Meldungen plant die Regierung einen Fonds, in dem Kirchenvermögen und die Rentenkasse für weitere Kredite verpfändet werden. Mit diesen zusätzlichen Schulden wird Zyperns Staat nicht gesünder, und bezahlen müssen die Steuerzahler.

Ein Gutes hat der Vorschlag: Wenigstens schultert der zyprische Staat die Last jetzt selbst, die er nicht den Gläubigern aufbürden wollte. Wenigstens sammelt er das Geld selbst ein anstatt noch mehr Geld von den anderen Europäern zu verlangen.

Die anderen Regierungen können sich nicht einmal laut beklagen. An der Belastung der Gläubiger sind sie ja selbst schon häufiger gescheitert.

In der Peripherie sind viele Leute reicher als in Deutschland

21.03.2013 · Haushalte in Spanien oder Italien haben oft deutlich mehr Vermögen als die in Deutschland. Das zeigt ein Bericht der Bundesbank. Ein typischer deutscher Haushalt besitzt ein Nettovermögen von 51.400 Euro.

Von [Nadine Bös](#) und [Stefan Ruhkamp](#)



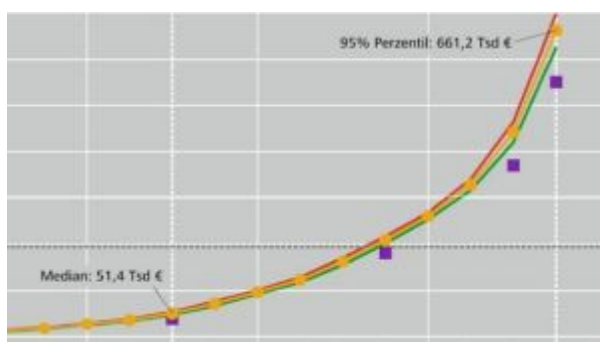
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Ein typischer Haushalt in den Euro-Krisenländern Spanien oder Italien verfügt über deutlich mehr Nettovermögen als ein typischer Haushalt in Deutschland. Außerdem ist das Nettovermögen in Deutschland zwischen armen und reichen Haushalten im europäischen Vergleich besonders ungleich verteilt. Das ist das Ergebnis einer mit Spannung erwarteten repräsentativen Haushalts- und Personenbefragung der Bundesbank zur Vermögensverteilung in Deutschland. Die Notenbank hat die Ergebnisse an diesem Donnerstag veröffentlicht.

3565 Haushalte wurden befragt. Die Daten aus der [Studie namens „Private Haushalte und ihre Finanzen“ \(PHF\)](#) zeigen, dass das Nettovermögen eines typischen deutschen Haushalts (abzüglich Verschuldung) in Deutschland 2011 deutlich niedriger war als in Frankreich, Spanien oder Italien. In Deutschland hatte ein typischer Haushalt gemessen an der statistischen Größe des Medianwerts 51.400 Euro. Die eine Hälfte der Haushalte ist reicher, die andere ärmer. In Frankreich beträgt dieser Wert 113.500 Euro, in Spanien 178.300 Euro und in Italien 163.900 Euro.

Das statistische Maß, das Ungleichheit zwischen armen und reichen Haushalten beziffert, der sogenannte Gini-Koeffizient, betrug für das Nettovermögen in Deutschland 75,8 Prozent. Der Koeffizient liegt bei null Prozent, wenn die Vermögen in einem Land vollkommen gleichverteilt sind; bei 100 Prozent, wenn einer Person alles gehört.

In anderen Ländern sind die Vermögen deutlich weniger ungleich verteilt. Zusätzlich lässt sich sagen, dass den reichsten zehn Prozent der deutschen Haushalte 59,2 Prozent des Nettovermögens gehören. Rund 73 Prozent haben laut Bundesbank ein „unterdurchschnittliches“ Nettovermögen.



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Die Verteilung der Nettovermögen in Deutschland

[Die Einkommen sind in Deutschland hingegen deutlich gleichmäßiger verteilt.](#) Der Gini-Index für das Haushalts-Bruttoeinkommen liegt lediglich bei 42,8 Prozent. Die reichsten zehn Prozent unter den Haushalten verdienen 31,2 Prozent der gesamten Bruttoeinkünfte aller Haushalte.

Effekte der Wiedervereinigung und des umfangreichen Sozialsystems

Die Bundesbank scheint sich der Brisanz der Daten zu den niedrigen Vermögen in typischen deutschen Haushalten bewusst: Deshalb hat sie zur Begründung verschiedene Hypothesen aufgestellt. Zum einen sei das Medianvermögen noch immer durch die Effekte der Wiedervereinigung gedrückt, hieß es. Zum anderen macht die Notenbank das deutsche Sozialversicherungssystem für die Ergebnisse verantwortlich. Die Risiken Arbeitslosigkeit, Alter, Krankheit, Pflegebedürftigkeit und die Bildung auf Schulen und Universitäten seien in Deutschland durch das Sozialsystem abgedeckt. Wichtige klassische Sparmotive entfielen somit, das System wirke wie „Zwangssparen“. In anderen Ländern sei hingegen zum Beispiel die Neigung höher, selbstgenutztes Wohneigentum zu erwerben, um etwa fürs Alter vorzusorgen.

Erste Vorbereitungen zur Studie seit 2006

Die Veröffentlichung der Zahlen durch die Bundesbank war mit Spannung erwartet worden - zumal andere Notenbanken in Europa ihre Erhebungen früher publik gemacht hatten. Böse Zungen in Finanzkreisen hatten behauptet, die Bundesbank habe die Veröffentlichung so lange hinausgezögert, bis der umstrittene Armuts- und Reichtumsbericht der Bundesregierung öffentlich war. Dies stritten die Vertreter der Bundesbank am Donnerstag während der Präsentation der Daten vehement ab. Die Umfrage war ursprünglich gestartet worden, weil die Notenbanken in ganz Europa genauere Daten über Armut und Reichtum haben wollten.

Seit dem Jahr 2006 arbeiten die Statistiker an den Untersuchungen, weitere Untersuchungswellen sollen folgen, um Daten im Zeitverlauf besser vergleichen zu können. Die Analyse soll unter anderem Erkenntnisse zur Wirkungskette der Geldpolitik aufzeigen und die Wirkung von Haushaltsverschuldung und Vermögenseffekten auf den Konsum untersuchen. 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

Der Gesamtbericht der EZB soll frühestens im April vorliegen. Die EZB erklärt den bislang unklaren Veröffentlichungstermin damit, dass die Daten und Studienergebnisse aus den 17 Mitgliedsländern noch von den Fachleuten überprüft werden müssten. Inoffiziell gibt es auch hier eine andere Begründung für die Verzögerung: [Man wolle vermeiden, dass die Daten über die Vermögen der Zypriern genutzt werden, um die Milliardensummen für das Rettungsprogramm in Frage zu stellen, heißt es in Notenbankkreisen.](#)

In der Tatsache, dass die Vermögen in manchen Krisenländern deutlich höher sind als in Nicht-Krisenstaaten birgt zwar politischen Sprengstoff, ist aber schon länger bekannt, 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.

Quelle: FAZ.net

Cyprus: The other guy's always to blame

21 March 2013

[Frankfurter Rundschau](#) Frankfurt

74,4



Greedy banks, the EU or Angela Merkel: The search for the culprit in Cyprus is running along the usual fault lines of the euro crisis. But do individuals not share in the responsibility for the mistakes of their society? That would mean the Cypriots would have to give up some of their savings deposits.

[Matthias Horx](#)

Philokypros Andreou, the President of the Cyprus Chamber of Commerce and Industry, brings up the war. “It's like in 1974, when the Turks marched in! This is a financial genocide,” he yelled [in an interview with the newspaper Die Welt](#). “Our financial industry has been ruined! Merkel and Schäuble are hurting innocent people!”

Genocide. Aha. The German media loves strong coffee too. “Confidence in gravest danger!” or “New fear strikes Europe!”, “Are we facing a run on the banks?” And so a much-anticipated panic is whipped up – in all innocence of course: We only want to tell it like it is!

“Yes, we have corrupt bankers and politicians. But we Cypriots are the victims!” says Andreou. Really? Cyprus has a bizarrely bloated banking sector, and little actual commerce. Taxes are super low. If new highways, new ports and great pedestrian zones are being built in my community, even though the taxes are low and commerce sluggish, then do I as an ordinary citizen have nothing to do with it?

Citizens of a corrupt system

Small savings deposits in Cyprus were supposed to contribute 3 per cent to resolving the crisis – larger accounts, 6 or 10 per cent. Of course, one could also have levied a special tax. But then the owners of accounts holding thick wads of laundered money from abroad would be sitting pretty. The only thing left for Cyprus is to become a protectorate of Russia, accompanied by the usual protest circus parading effigies of Merkel in a Hitler mask, spurred by the infantile presumption that [“Europe wants to destroy Cyprus.”](#)

I have some Greek friends, in no way rich, who have long understood that as citizens they were part of a corrupt system. They were not corrupt personally, but they do know that there is such a thing as society, whose faults one is jointly responsible for. This is a great thing and it is a condition for building trust, which alone

gives a society any future. In the Scandinavian countries, that's exactly how the citizens reacted to their major economic crisis in the early 90s: they shouldered the responsibility jointly.

Delegating democracy

Europe is not threatened by the viciousness of the bankers or the incompetence of the politicians. It's threatened by the delegating of democracy, by the fixed idea that "the ones up top" are responsible for everyone and to blame for everything, and by the tendency to elect politicians only to insult them and replace them with [Beppo Grillos](#) all stripes.

Even in this country, this murmur is everywhere. Germany has problems of poverty? The rich are to blame. We have bad schools? The politicians should sort it out. The pensions are not affordable? The state should cough up. That's the murmur on every talk show, in every tram.

Democracy is that which does not concern me, but what others pay for. We want to control everything, but prefer to keep our fingers out of the heat. Democracy, though, is something other than mere consumerism.

European Union: How Europe's leaders ran out of credit in Cyprus

21 March 2013

[Financial Times](#) London

74,6



The bigger problem remains the gap in trust between the north and the south, writes a Financial Times columnist.

[Gideon Rachman](#)

European leaders must surely know that they are taking a big risk with Cyprus. The danger is obvious. Now that [everybody with money in Cypriot banks is being forced to take a hit](#), nervous depositors elsewhere in Europe might notice that a dangerous precedent has been set. [At the time this article was written, the Cyprus government proposed taxing all savers.] Rather than run even a small risk of an unwanted financial “haircut” in the future, the customers of Greek, Spanish, Portuguese or Italian banks might choose to get their money out now. If that starts to happen, the euro crisis will be back on again – with a vengeance.

The people behind the Cyprus plan hope that the risks of contagion are small. They reckon that the Spanish banks are on the mend, and that Greece too has pulled back from the brink. There is no reason for depositors to draw lessons from the peculiar case of Cyprus, whose banks are stuffed with Russian money.

Maybe so. And yet EU leaders have got these kinds of calculations badly wrong before. At a summit in Deauville in September 2010, they announced that the holders of sovereign bonds in bailed-out countries would lose some of their money. The result was a severe worsening of the euro-crisis, as investors began to demand much higher rates to lend to risky-seeming countries, such as Italy or Spain.

So why – after all the painstaking efforts to put euro-humpty back together again – have European leaders taken such a gamble in Cyprus? The answer is that they too are out of credit – political credit.

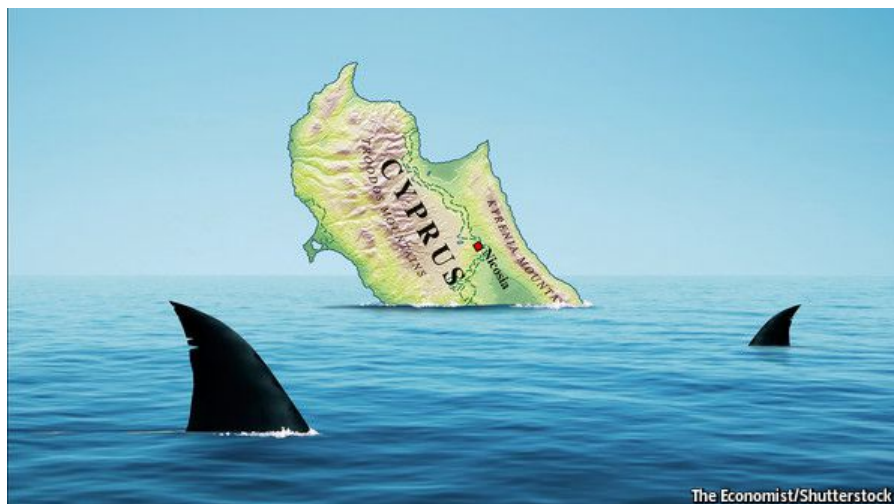
The euro-zone crisis

Just when you thought it was safe...

Bailing out Cyprus was always going to be tricky. But it didn't have to be like this

Mar 23rd 2013 | [From the print edition](#)

74,7



EVEN by the standards of European policymaking, the past week has been a disaster. In the early hours of March 16th, nine months after Cyprus first requested a bail-out, euro-zone finance ministers, led by the Germans, offered a €10 billion (\$13 billion) deal, well short of the €17 billion needed. Who ordered whom to do precisely what is not clear, but the Cypriots then said they would raise a further €5.8 billion by imposing a levy on depositors—of 9.9% on savings above the €100,000 insurance-guarantee limit, and 6.75% for deposits below it. Chaos ensued, not least among the many Russians (reputable or not) who have parked their money in the lightly regulated island. On March 19th, with crowds in the streets and all the banks firmly shut, the Cypriot parliament rejected the bail-out package (see [article](#)). As *The Economist* went to press, the scene had shifted to Moscow, where the Cypriots were trying to persuade Vladimir Putin and his cronies to contribute some money in exchange, perhaps, for future gas revenues.

Cyprus is a Mediterranean midget, with a GDP of only \$23 billion. But this crisis could have poisonous long-term consequences. Eight months after the European Central Bank appeared to have restored stability by promising to do whatever it took to save the currency, the risk of a euro member being thrown out has returned. It has increased the chances of deposit runs (if Cyprus can grab your money, why not Italy or Spain?). And it has revealed the lack of progress towards a durable solution to the euro's troubles. Ideally, all this will prompt the Europeans to push ahead with reforms, but with a German election in the autumn that seems unlikely.

Towards Cyprussia?

Cyprus is broke. Its debt, if it took on its banks' liabilities, would hit 145% of GDP. This newspaper suggested recapitalising Cypriot banks, on a case-by-case basis, directly through the European Stability Mechanism (ESM), thus breaking the vicious circle where weak sovereigns bail out weak banks. We also argued for depositors and senior bondholders to be spared—not out of any particular love for rich Russians, but because of the fear of bank runs in larger weak euro economies. The Europeans instead decided to lend the money directly to the Cypriot government; and the Cypriots, perhaps bullied by some creditors, then decided to clobber all the banks' depositors, even the insured ones.

This was ingeniously loopy. Cyprus is odd, because virtually all its banks' liabilities are deposits (as opposed to longer-term bonds). Yet, of the 147 banking crises since 1970 tracked by the IMF, none inflicted losses on all

depositors, irrespective of the amounts they held and the banks they were with. Now depositors in weak banks in weak countries have every reason to worry about sudden raids on their savings. Depositors in places like Italy have not panicked yet. But they will if the euro zone tries to “rescue” them too.

The blame for this should be shared between Cyprus and its creditors. Cyprus is guilty of a lot. It welcomed in the Russians and allowed its banks to get far too big: their assets reached 800% of GDP in 2011. The banks were in trouble even before the restructuring of Greek government bonds opened up a €4 billion hole in their accounts last year. As for the creditors, Angela Merkel’s priority seems to have been to appear stern before the German election, and the European Central Bank, whose job it is to protect financial stability, was party to a scheme that ended up jeopardising it.

What should Europe’s leaders do now? The worst outcome would be to allow the Cypriots to slide towards the exit. That would be disastrous for the island. And the euro zone would be wrong to imagine that Cyprus is tiny enough to let go safely. The currency’s credibility rests on the idea that it is irreversible.

Leaving it to the Russians to save Cyprus, by letting them recapitalise its banks and grab a slice of its gas, is an answer, but not the best one. However tricky the politics of using German taxpayers’ money to bail out Russian depositors, a deal that ends up entrenching Cyprus’s status as an offshore Russian satrapy would be a perverse outcome. A revised deal with the euro zone would be better.

The yoke of union

This newspaper would still prefer to recapitalise Cyprus’s banks directly through the ESM. That option is plainly not on the table. The best that can probably be done now is to spare the insured depositors, bail in other bank creditors and, given the economic damage caused in the past week, increase the amount of the bail-out. The financial assumptions in the rejected deal are already out of date. There will be capital flight when the shuttered banks eventually open; the island’s offshore-finance business plan is now bust. It needs to find new sources of prosperity, including faster exploitation of its recent Mediterranean gas finds—although these can be overplayed (see [article](#)). The best long-term plan for its economy would be a deal with the Turkish-Cypriots to reunify the island, which would boost tourism and GDP.

More broadly, Cyprus’s tragicomedy should prompt Europe’s leaders to get a move on. Even if only uninsured deposits are hit, a line has been crossed. A formal European bail-in regime is needed as soon as possible, one that requires banks to hold a layer of loss-absorbing senior debt designed to spare depositors, both insured and uninsured, in all but the last resort. That promises a more predictable environment, but it will also entrench fragmentation, with borrowers in weak countries finding it harder and more expensive to gain access to credit. The only solution to such fragmentation is a proper banking union and limited mutualisation of sovereign debt.

The political consequences are toxic. Cyprus is the latest peripheral country to feel mistreated by creditor countries. For their part creditors resent the fact that their financial support is summarily discounted. The euro-zone economy is stagnant. Protest parties are gaining popularity. The euro was supposed to be the manifestation of a grand political project. It feels more like a loveless marriage, in which the cost of breaking up is the only thing keeping the partners together.

Cyprus: Out of the Frying Pan, Into the Fire

Author: [Marc Chandler](#) · March 21st, 2013 · [Comments \(0\)](#) Share This Print 51 4

74,9

Whew! Cyprus parliament began the week rejecting the tax on depositors. It has been scrambling to find an alternative source of funds. As a percentage of GDP, the 10 bln euro EU package that has been offered to Cyprus is larger than the initial package for Greece, Ireland and Portugal. Still 5.8 bln euros that Cyprus is being demanded to pony up is incredibly difficult. There are no easy answers.



The solution proposed to raiding the pension funds, giving them government bonds, which all three rating agencies as well below investment grade, seems to likely target many of the same people who would have been hurt by the tax on small depositors. Moreover, that would not stabilize the debt/GDP ratios, making it more likely that the government debt is restructured.

Given the bank holdings of government bonds, a restructuring of the government debt would also spur a banking crisis and likely trigger the deposit insurance, which Cyprus cannot make good on. The two largest Cyprus banks had a combined 50 bln euros of deposits at the end of 2011. This is more than twice the country's GDP. In addition, another obstacle to a sovereign restructuring is that much of the country's debt is under the governance of UK law, which make it easier for the creditors to block it.

Cyprus initially request assistance last summer. However, because the president at the time refused to consider privatization and that the creditors wanted to do their own analysis of Cyprus' banking system even though the OECD had previously said that Cyprus has met the 40 EU directives against money laundering. In November, a German study found that more than 21 bln euros of Russian and Middle East funds had found a home in the Cyprus haven.

Cyprus banks have not been good guardians of those foreign or domestic deposits. With roughly 50% of their deposits they bought Greek bonds. This was a huge leveraged carry trade that collapsed. The loan book has also soured. In Q3 last year, the top two banks tripled (Bank Popular/ Laiki) and quadrupled (Bank of Cyprus) their loan loss reserves.

Cyprus banks have long run out of collateral that is acceptable to the ECB. They have relied on Emergency Lending Assistance (ELA), which is provided by the national central bank, at its own risk, but with the ECB's approval. In January, the ECB warned Cyprus banks that they had two months to recapitalize or it would no longer sanction ELA funding. Those two months are up and the ECB now says officials have until Monday to reach an agreement.

There was a conference call yesterday, according to wire accounts, among euro area officials to discuss views and potential solutions. Cyprus officials reportedly did not take part, leaving European officials dumbfounded.

Clearly, the risk of an [exit from the euro area](#) has increased. Many of the critics of EMU, who think it is better to be out, may be able to test their hypothesis. We think Cypriots' lives will be made significantly worse on an exit. Small depositors will not simply see 6 1/2 of their savings taken, but will lose much of savings. The banking system will collapse and the means to recapitalizing it are not obvious. The economy will collapse and unemployment will soar. The social fabric will be torn asunder.

The increase in misery in Cyprus, however, will likely have minimal impact on the euro area. If anything the misery of Cyprus, if our analysis of what an exit would mean, may be sufficient to scare other weak members of the euro area and convince them that it is better in, with all the yielding of sovereignty that it entails, than outside, where the degrees of freedom are limited, although in different ways.

Because of the economic and financial integration, Greece appears to be the most vulnerable to a Cyprus exit. A bankrupt Cyprus, cut off from the EMU and EU, may be vulnerable, from a geopolitical vantage point, which also needs to be considered.

Although our medium term outlook is for a weaker euro (\$1.20 for year end), we suspect that once there is closure on Cyprus, one way or the other, the euro may bounce. We continue to place technical significance in the gap on the bar charts created by Monday's sharply lower opening. The gap now extends from last Friday's low of \$1.30 to yesterday's high near \$1.2980. A move above the gap would be constructive and suggest another 1-2 cent advance. Until that gap is closed though, the risk is on the downside, where our next target is in the \$1.2680-\$1.27009 area.

This piece is cross-posted from Marc to Market with permission.

Is Social Unrest Coming to Europe? If Not, Why Not?

Author: [Fabius Maximus](#) · March 21st, 2013 · [Comments \(0\)](#) Share This Print 30 0

74,11

Summary: Five years of crisis in Europe, yet its streets remain mostly calm. What accounts for this? How long will it continue?

“At the heart of the crisis, there is the challenge of redefining the social contract to safeguard the sustainability of Europe’s social model.”

— [Speech by Benoit Coeure](#) (Executive Board of the ECB), 2 March 2013

“Spot on, Benoit. The trouble is European leaders and institutions seem to want to redefine the contract in ways that at least half of European citizens don’t approve, or trust them to carry out. So underneath the three-headed crisis of austerity, banking and sovereign debt, we have one of legitimacy and trust, which is feeding social unrest.”

— George Magnus, Economic Advisor, UBS, 20 March 2013



Liberty Leading the People, Eugène Delacroix (1830)

The painting “[Liberty Leading the Way](#)” commemorates the [July Revolution of 1830](#), midpoint to a century of social unrest in France. It shows the result of mismanaging the forces of change.

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(1) Why is Europe still stable?

The stability in Europe since the second downturn began in March 2010 has surprised many observers (eg, me). Three years of depressionary conditions in the periphery have produced no large, severe outbreaks of social unrest. Elections have produced majorities in favor of the European Union and the austerity it mandates (we’ll soon see if February’s election in Italy broke this record).

What produces this stability? The usual supports for incumbent systems are human inertia and people’s dislike of radical change. Hence the failure of the frequently made forecasts of regime change in developed nations. But those explanations seem in adequate, as does embrace of the EU from fear of war.

History provides a possible answer: the lack of an alternative. Thomas Kuhn in his *The Structure of Scientific Revolutions* (1962) says that scientific paradigms die not when they are disproven, but when they are replaced by a superior alternative. In much the same way revolutions (peaceful or otherwise) require a new political or economic ideology that can substitute for the old.

Without an alternative, accumulated stress breaks out in futile forms, such as protests and riots. These are a commonplace of history, such as the [peasants' protests \(Wikipedia\)](#) and [race riots \(Wikipedia\)](#). These can produce incremental reforms (although they usually didn't), but participants seldom had a vision of a realistic better system. Although recognized as defective, other systems were considered less attractive or unworkable (eg, plutocracy in Holland, city-states in Switzerland). For centuries this provided a buttress for European monarchies.

(2) What comes next in Europe?



A dream turning sour

Europe's people have remained quiet for five years since the great recession began in 2008. Will they do so for another five years, with the prospect of at best no growth? Under the pressure of events, will the people of Spain Italy, Greece, and Portugal create new political or economic systems?

The usual comparison is with the 1930's. But by then Communism and Fascism were well-developed ideologies with strong organizational expressions. Today's intellectual landscape looks quite barren of alternatives.

Europe's leaders have nailed the tiller down. They will continue to impose austerity on the periphery until either their economies reform or social unrest breaks out. With no other choices, Europe's people can only stay together and suffer — or retreat, breaking again into smaller nations. Stasis or protests, a bleak prospect.

(3) Compare with China

Like Europe (and perhaps the United States), China has outgrown its economic and political structures. This can be seen in the list of social tensions Magnus describes: land rights (confiscation), environment destruction and pollution, corrupt officials, poor workers' conditions, and growing income inequality.

China's new leadership takes office this month. Reports show that they see these things and plan to act. We can only guess as to the pace they will set for reforms, and their nature. These reforms will open a new chapter for China, and create new challenges. De Tocqueville's *The Old Regime and the Revolution* (1856) describes at length the destabilizing results of even necessary and well-meant reforms — and the difficulty of implementing them. China's leaders are reading this; it would be interesting to hear their thoughts about this. The Czars provided another demonstration of poorly managed reforms, and the consequences.

All paths — no, slow, or fast reform — lead to some degree of turmoil in China.

(4) Leave a comment

Post your comments on the [FM Facebook page](#)!

(5) For More Information

(a) Studies and reports about social unrest (from Magnus' report):

- [“Demographics: the Ratio of Revolution”](#), David Munro and Claudia Zeisberger, INSEAD, March 2011
- [“The Austerity Trap: A Century of Unrest and Budget Cuts”](#), Hans-Joachim Voth, Institute for New Economic Thinking, 12-15 April 2012
- [“Social Unrest”](#), Aleksandar S. Jovanovic, Ortwin Renn, and Regina Schröter, OECD, 10 August 2012

(b) Posts about Europe:

1. [The periphery of Europe – a flashpoint to the global economy](#), 8 February 2010
2. [Delusions about easy fixes for Europe, dreaming during the calm before the storm](#), 30 September 2011
3. [Is Europe primed for chaos, as it was in July 1914?](#), 7 October 2011
4. [Status report on Europe's slow re-birth \(first, the current system must die\)](#), 10 November 2011
5. [Looking ahead to see the new shape of Europe](#), 22 November 2011
6. [Europe passes the last exit. A great crisis lies ahead.](#), 21 February 2012
7. [The Fate of Europe has become visible. Only how and when the break comes remains uncertain.](#), 6 June 2012
8. [Europe has a political crisis. The economics are just symptoms.](#), 11 July 2012
9. [The hidden goal of Europe's leaders. See it and then their actions make sense.](#), 27 July 2012
10. [Spain's' only three options for recovery](#), 17 November 2012

Studie : **Vermögen deutscher Haushalte kleiner als in Euro-Krisenländern**

Es ist ein verblüffendes Ergebnis: Laut Bundesbank haben deutsche Privathaushalte im Schnitt deutlich weniger Vermögen als jene in Spanien und Italien. Ein Grund: Weniger als die Hälfte der Haushalte ist Eigentümer einer Immobilie.

Frankfurt am Main - Die Vermögen der Privathaushalte in Deutschland sind deutlich kleiner als in Euro-Krisenländern wie Spanien oder Italien. Das hat eine Studie der Bundesbank ergeben. Das mittlere Vermögen deutscher Haushalte belaufe sich auf rund 51.400 Euro netto, teilte die Bundesbank am Donnerstag mit. In Italien betrage das Haushaltsvermögen rund 163.900 Euro, in Spanien rund 178.300 Euro.

In Frankreich belaufe sich das Vermögen der Haushalte im Mittel auf 113.500 Euro, hieß es weiter. Der für Österreich ermittelte Wert liege mit 76.400 Euro näher am deutschen Niveau. In Deutschland selbst falle das mittlere Vermögen im Osten mit 21.400 Euro deutlich geringer aus als im Westen mit 78.900 Euro je Haushalt.

Die Bundesbank befragte für die repräsentative Untersuchung knapp 3600 Haushalte in Deutschland zwischen September 2010 und Juli 2011. Der Erhebungszeitraum fiel damit in die Anfänge der Euro-Krise. In den anderen Euro-Ländern erfolgten ähnliche Befragungen.

Die Bundesbank berechnete für die Untersuchung die mittleren Vermögen der Haushalte mit dem sogenannten Median. Dabei handelt es sich zwar um einen Mittelwert, der aber auf andere Weise ermittelt wird als der herkömmliche Durchschnittswert, das arithmetische Mittel. Der Median wird dadurch weniger stark durch Ausreißerwerte nach oben und unten verzerrt. Besonders reiche oder arme Haushalte fallen also weniger ins Gewicht.

Zur Berechnung des Medians wurde eine repräsentative Auswahl der 40 Millionen Haushalte in Deutschland in einer Reihenfolge nach aufsteigendem Vermögen aufgereiht und die Gesamtzahl der Haushalte dann in zwei Hälften geteilt: Auf der einen Seite liegen die Haushalte mit einem Vermögen über dem Mittelwert, auf der anderen Seite Haushalte mit einem geringeren Vermögen.

Durchschnittsvermögen liegt bei 195.000 Euro

Für das im Vergleich mit anderen Euro-Ländern geringere mittlere Vermögen der Haushalte in Deutschland gibt es nach Angaben der Bundesbank eine Reihe von Gründen:

- Nicht alle Vermögensansprüche der Haushalte seien erfasst, wie etwa gegenüber der gesetzlichen Sozialversicherung. Damit aber würden für viele Haushalte "die meisten der Lebensrisiken und Grundbedürfnisse zumindest prinzipiell" abgedeckt. Beispiele hierfür seien die gesetzliche Vorsorge für Alter, Arbeitslosigkeit oder Krankheit. Aber auch staatlich finanzierte Bildung an Schulen und Hochschulen falle darunter.
- Das mittlere Vermögen in Deutschland werde immer noch durch die Wiedervereinigung gedrückt.
- Die Neigung der Deutschen, Immobilien zu kaufen, sei vergleichsweise gering.

Auch bei Berechnung des Vermögens der Haushalte über den herkömmlichen Durchschnittswert liegen die Deutschen hinter anderen Euro-Staaten zurück, wie aus der Untersuchung der Bundesbank hervorgeht. Bei spanischen Haushalten liege das durchschnittliche Vermögen bei 285.800 Euro netto, in Österreich bei 265.000 Euro und in Frankreich bei 229.300 Euro. In Deutschland belaufe sich der Wert auf 195.200 Euro - liegt aber im Westen mit 230.240 Euro in etwa auf dem Niveau von Frankreich. Für Italien liegt demnach kein Durchschnittswert vor.

Frankreich

Recht auf Einmischung

21.03.2013 · Wirtschaftspolitisch hat Frankreich kein Rezept, aber militärisch lässt François Hollande die Muskeln spielen. Mit selbstbewussten Interventionismus preschte er in Mali vor. Auf mittlere Sicht droht sich Paris aber, seine Armee nicht mehr leisten zu können.

Von [Michaela Wiegel](#)

74,15



© dpa Francois Hollande bei einer Rede in Alfortville

Während er bei Haushaltssanierung und Staatsumbau orientierungslos experimentiert, hat François Hollande in der Außen- und Sicherheitspolitik einen überraschend klaren Kurs festgelegt. Frankreich ist unter Führung des Sozialisten gänzlich vom Appeasement-Ansatz abgekehrt, der in der Chirac-Ära die französische Diplomatie prägte. Mit der „Altes-Europa-Friedensrede“ Dominique de Villepins vor den Vereinten Nationen will Frankreich - ein Jahrzehnt später - nicht mehr identifiziert werden. Der französische Präsident tritt in der EU als Anwalt eines robusten Krisenmanagements auf, welches die militärische Option ausdrücklich einschließt.

Auf das Schicksal französischer Geiseln wird nur noch bedingt Rücksicht genommen. Nach dem forschen Eingreifen in Mali will der Sozialist auch im Syrien-Konflikt eine Lösung mit Waffengewalt erzwingen. Er fordert deshalb die Aufhebung des EU-Waffenembargos und die Bewaffnung der Aufständischen, die gegen das Regime Assads kämpfen. In der EU spielt Hollande seine durch die Verfassung garantierte militärische Führungsstärke immer mehr aus. Am Ideal einer gemeinsamen europäischen Außen- und Sicherheitspolitik will er sich nicht länger orientieren. Frankreich sei eine „souveräne Nation“. Als „souveräne Nation“ handelte die UN-Vetomacht Frankreich bereits, als Hollande den Kampfeinsatz in Mali anordnete und sich erst hinterher die Zustimmung der EU-Partner einholte. Der Alleingang war vom Dringlichkeitsgebot diktiert, den Vormarsch der terroristischen Gruppen gen Süden aufzuhalten. Aber dieser Zwang kann eine neue französische Grundhaltung nicht überdecken, sperrige EU-Partner im Bedarfsfalle zu ignorieren.

Selbstbewusster Interventionismus

Wenn die anderen EU-Partner Frankreichs Vorgehen nicht billigten, werde sein Land trotzdem Waffen an die syrischen Aufständischen liefern, drohte der französische Außenminister Fabius. Hollande bestätigte, dass Frankreich zu diesem Zwecke eine Ad-hoc-Allianz mit Großbritannien bilden wolle.

Hollandes selbstbewusster Interventionismus ist überraschend, hatte er sich den Franzosen im Wahlkampf doch als Truppen-Heimführer vorgestellt, der die Soldaten vom Hindukusch nach Hause bringt. Das Abzugsversprechen hielt der Präsident allen Irritationen bei den Verbündeten in Afghanistan zum Trotz. Seine Kehrtwende hin zum Kriegsherrn, der Mali vor dem internationalen Terrorismus rettet, kommt bei der Linkswählerschaft dennoch gut an. Das liegt an der auf der Linken weitverbreiteten Vorstellung einer französischen Schutzverantwortung für bedrohte Völker, insbesondere auf dem afrikanischen Kontinent. Bernard Kouchner hat den vom wertkonservativen Denker Jean-François Revel 1979 entwickelten Begriff eines „Rechts auf Einmischung“ („droit d'ingérence“) popularisiert. Der Mitbegründer der Hilfsorganisation „Ärzte ohne Grenzen“ hat damit eine linke Denkschule geprägt, die militärische Interventionen gutheißt. Während es

um Bernard Kouchner still geworden ist, zieht der Intellektuelle Bernard-Henri Lévy mit einem frischen Aufguss des *droit d'ingérence* durch die Pariser Salons und Ministerialbüros. Schon Hollandes Vorgänger Nicolas Sarkozy ließ sich von Lévy von modernem Abenteuergeist und Gutmenschentum durchdrungenen Diskurs hinreißen. Vor der Libyen-Expedition versuchte Sarkozy aber immerhin, Deutschland eine symbolische Zustimmung im UN-Sicherheitsrat zu entringen. Die Vergeblichkeit dieses Unterfangens hat sich in der politischen Klasse Frankreichs tief eingepreßt. Offiziell wurde schnell wieder zur Tagesordnung der deutsch-französischen Beziehung übergegangen. Doch gerade auf der Linken wird die deutsche Stimmenthaltung als Zäsur empfunden, die einen behutsamen und langwierigen Annäherungsprozess in der außenpolitischen Kultur beider Länder beendete.

Der bellizistische Kurs des französischen Präsidenten hat zudem innenpolitische Gründe. Kurzfristig kann er so den Einflussverlust in der EU ausgleichen, den Frankreich aufgrund unsolider Staatsfinanzen, aufgeschobener Strukturreformen und Versäumnissen bei der Wettbewerbsfähigkeit erlitten hat. Frankreich als „kranker Mann Europas“ hat vielleicht kein wirtschaftliches Erfolgsrezept, aber es kann immer noch mit seiner militärischen Einsatzbereitschaft beeindrucken. Hollande war im vergangenen Mai mit dem Versprechen angetreten, das Machtgefüge zu Deutschland neu zu adjustieren. In wirtschaftlichen Fragen kann er es mit der Bundeskanzlerin nicht aufnehmen. So ist es ihm nur recht, wenn er seinen Führungsanspruch als militärische Ordnungsmacht bekräftigen kann.

Auf mittlere Sicht droht sich Frankreich aber eine Armee nicht mehr leisten zu können, die zu einem schnellen und massiven Eingreifen wie im Mali-Krieg fähig ist. Schon warnen führende Oppositionspolitiker wie der ehemalige Premierminister François Fillon, dass die Einsatzfähigkeit der Streitkräfte einem Spardiktat zum Opfer fallen könnte. Hollande hat die Entscheidung über Kürzungen im Verteidigungshaushalt bislang vertagt. Die Ernüchterung über die finanziellen Zwänge auch für die Armee will der Präsident so lange wie möglich hinauszögern.

Quelle: F.A.Z.

Treasure Island Trauma

By [PAUL KRUGMAN](#)

A couple of years ago, the journalist Nicholas Shaxson published a fascinating, chilling book titled “[Treasure Islands](#),” which explained how international tax havens — which are also, as the author pointed out, “secrecy jurisdictions” where many rules don’t apply — undermine economies around the world. Not only do they bleed revenues from cash-strapped governments and enable corruption; they distort the flow of capital, helping to feed ever-bigger financial crises.

One question Mr. Shaxson didn’t get into much, however, is what happens when a secrecy jurisdiction itself goes bust. **That’s the story of Cyprus right now.** And whatever the outcome for Cyprus itself (hint: it’s not likely to be happy), **the Cyprus mess shows just how unreformed the world banking system remains, almost five years after the global financial crisis began.**

So, about Cyprus: You might wonder why anyone cares about a tiny nation with an economy not much bigger than that of metropolitan Scranton, Pa. **Cyprus is, however, a member of the euro zone**, so events there could trigger contagion (for example, bank runs) in larger nations. And there’s something else: **While the Cypriot economy may be tiny, it’s a surprisingly large financial player, with a banking sector four or five times as big as you might expect given the size of its economy.**

Why are Cypriot banks so big? Because the country is a tax haven where corporations and wealthy foreigners stash their money. Officially, 37 percent of the [deposits in Cypriot banks come from nonresidents](#); the true number, once you take into account wealthy expatriates and people who are only nominally resident in Cyprus, is surely much higher. Basically, **Cyprus is a place where people, especially but not only Russians, hide their wealth from both the taxmen and the regulators. Whatever gloss you put on it, it’s basically about money-laundering.**

And the truth is that much of the wealth never moved at all; it just became invisible. On paper, for example, **Cyprus became a huge investor in Russia — much bigger than Germany, whose economy is hundreds of times larger. In reality, of course, this was just “roundtripping” by Russians using the island as a tax shelter.**

Unfortunately for the Cypriots, enough real money came in to finance some seriously bad investments, **as their banks bought Greek debt and lent into a vast real estate bubble.** Sooner or later, things were bound to go wrong. And now they have.

Now what? There are some strong [similarities between Cyprus now and Iceland](#) (a similar-size economy) a few years back. Like Cyprus now, Iceland had a huge banking sector, swollen by foreign deposits, that was simply too big to bail out. **Iceland’s response was essentially to let its banks go bust, wiping out those foreign investors, while protecting domestic depositors — and the results weren’t too bad. Indeed, Iceland, with a far lower unemployment rate than most of Europe, has weathered the crisis surprisingly well.**

Unfortunately, Cyprus’s response to its crisis has been a hopeless muddle. In part, this reflects the fact that it no longer has its own currency, which makes it dependent on decision makers in **Brussels and Berlin — decision makers who haven’t been willing to let banks openly fail.**

But it also reflects Cyprus’s own reluctance to accept the end of its money-laundering business; its leaders are still trying to limit losses to foreign depositors in the vain hope that business as usual can resume, and they were so anxious to protect the big money that they tried to limit foreigners’ losses by expropriating small domestic depositors. As it turned out, however, ordinary Cypriots were outraged, the plan was rejected, and, at this point, nobody knows what will happen.

My guess is that, in the end, Cyprus will adopt something like the Icelandic solution, but **unless it ends up being forced off the euro in the next few days — a real possibility — it may first waste a lot of time and money on half-measures, trying to avoid facing up to reality while running up huge debts to wealthier nations. We'll see.**

But step back for a minute and consider **the incredible fact that tax havens like Cyprus, the Cayman Islands, and many more are still operating pretty much the same way that they did before the global financial crisis.** Everyone has seen the damage that runaway bankers can inflict, yet much of the world's financial business is still routed through jurisdictions that let bankers sidestep even the mild regulations we've put in place. **Everyone is crying about budget deficits, yet corporations and the wealthy are still freely using tax havens to avoid paying taxes like the little people.**

So don't cry for Cyprus; cry for all of us, living in a world whose leaders seem determined not to learn from disaster.

March 21, 2013

Germany Calls the Shots

By RISTO E.J. PENTTILA

74,19



Cars for export at a harbor terminal in Bremerhaven, Germany.

THE crisis in Cyprus has taken a nasty turn, but it will not wreck the euro. Chancellor Angela Merkel will simply not allow it to happen. For Germany the euro is the goose that lays golden eggs. It has allowed Germany to accumulate more than €1 trillion in trade surplus with other E.U. countries in a little more than a decade. Germany will not let the golden goose die.

The European sovereign debt crisis has fundamentally changed Europe's geopolitical map. Instead of Europe being divided into West and East as it was during the Cold War, the Continent has become divided into a relatively prosperous North and a chaotic South. Instead of Europe being led by France and Germany with Britain playing a balancing act, leadership has fallen squarely on Germany's shoulders. It is no longer about a more European Germany. It is about more German Europe.

Germany is calling the shots when it comes to the future governance of the euro zone. It is also calling the shots with regard to the Cypriot problem. If Cyprus can be guided out of the euro zone without endangering the credibility of the euro, Merkel will gladly make an example of the small island nation. If she thinks that a Cypriot exit will damage the euro's reputation, she will not let it happen. The euro is simply too valuable for Germany to be risked.

Two economists, Jorge Braga de Macedo and Urho Lempinen, have shown that between 1999 and 2011 Germany accrued a cumulative trade surplus with the rest of the European Union of more than €1 trillion. Since the euro zone makes up about 75 percent of the European Union, the German trade surplus with the rest of the euro zone was about €750 billion during this time period. This was by far the biggest trade surplus within the euro zone. (Holland's figures are even more impressive but they are explained by transit through its huge ports.)

There are two conclusions to be drawn. First, Germany is more dependent on the European market than it is on the rest of the world. Second, Germany can compete with other members of the euro zone better than it can compete with the rest of the world. One reason for this is the fixed exchange rate within the euro zone. As long as Germany can keep its own costs down, it is able to export to the rest of Europe more easily than to the rest of the world. This is about good housekeeping but it is also about geopolitics.

Geopolitics is not a concept that is often associated with the European Union. But it is a concept that is irrevocably linked with Germany's history and its future. In the first part of the 20th century the country's big geopolitical idea was "Lebensraum," or living space. The idea fueled German expansionism in the 1930s and

led in part to the outbreak of World War II. After the war, the leading idea was Germany's Western orientation. Chancellor Konrad Adenauer understood that West Germany could rebuild its economy and society only as long as it was committed to two Western institutions, NATO and the European Economic Community.

The next grand geopolitical idea was German reunification within the framework of the European Union. Chancellor Helmut Kohl realized that Germany could become united only as long as it pledged allegiance to an ever more integrated European Union.

Today it is a different Europe: Germany may be first among equals, but it is still committed to the European Union.

Cyprus is playing a geopolitical game of its own. It will be interesting to see whether it repeats the same choreography that Iceland followed during its financial crisis, when the country was in danger of being shut out by Western institutions. After announcing that it was in talks with Russia, the International Monetary Fund decided in 2008 to offer Iceland assistance. Cyprus, by turning to Moscow, is forcing the European Union to think hard about increased Russian influence within the Union's borders.

Merkel has staked her political future on the idea that Germany's interests are best served by the present constellation of the euro zone. If she is right, she will be considered one of the great postwar German leaders, together with Adenauer and Helmut Kohl. If she is wrong, all of Europe will suffer. She will not let a small island nation ruin her geopolitical vision for Germany and Europe.

***Risto E.J. Penttila** is president of Finland Chamber of Commerce and secretary general of "Northern Light," a forum for European and Russian business leaders.*

March 21, 2013

For Euro Zone, a Cyprus Exit Would Have Little Impact

By [LONDON THOMAS Jr.](#)

74,21

A Cyprus exit from the euro union, if it comes to that, would have a devastating effect on the country's citizens, who are among the most indebted in the euro zone. And for European unity and diplomacy, the Cyprus debacle has already been at least a short-term disaster.

But for the broader financial system in Europe, the losses resulting from a Cypriot banking collapse and the country's return to its former currency would be minimal compared with the havoc that Greece would have created had it not been bailed out.

And that, economists and investors contend, is why Germany and its Dutch stalking horse, Jeroen Dijsselbloem, the president of the Eurogroup of finance ministers, were so adamant that depositors — large and small, Cypriot and Russian — contribute 5.8 billion euros (\$7.5 billion) toward the 10 billion euro bailout of Cyprus's largest banks.

Greece may well have been too big to fail last year, but Cyprus, which creates less than one-half percent of the euro zone's gross domestic product, is certainly not.

From a financial standpoint, what is most noteworthy is that the combined debt of the Cypriot people, companies and government is 2.6 times the size of the country's gross domestic product. Only Ireland, still struggling to recover from the banking collapse that required an international bailout in 2010, has a higher debt-to-G.D.P. ratio among euro zone countries.

As debts in Europe mount in inverse proportion to the ability of its citizens, companies and governments to make good on them, the view is forming in Berlin and Brussels that a signal must be sent that citizens and investors must start accepting losses for the euro zone to survive in the long run.

"There have been too many bailouts in Europe; it's time to remove the air bags," said Stephen Jen, a former economist at the International Monetary Fund who runs a hedge fund in London. "This is not a Lehman," he said, referring to the disastrous chain reaction touched off by the collapse of Lehman Brothers in 2008.

Eric Dor is a French economist who has studied the mechanics of how a country might remove itself from the monetary union. By his calculations, the euro zone — through its central banking system and its national banks — has just 27 billion euros in outstanding credit exposure to Cyprus. That is a mere rounding error compared with the euro zone G.D.P. of 9.4 trillion euros.

Estimates of the potential cost if Greece had been forced into a disorderly euro exit have ranged from 200 billion euros to 800 billion euros, given the larger exposure that the European Central Bank and European banks had to the country.

"This explains why Germany and others are putting so much pressure on Cyprus," said Mr. Dor, head of research at the Iéseg School of Management in Lille, France. "They are saying we can take the risk of pushing Cyprus out of the euro zone, and that Europe can take the losses without going broke."

Mr. Dor notes that the current euro zonewide system of insuring bank deposits up to 100,000 euros was put in place after the financial panic that followed the Lehman collapse. Those deposits are supposed to be insured by national governments.

So when the president of Cyprus admitted this week that his country did not have the money to backstop the 30 billion euros of guaranteed bank deposits — a figure greater than the Cypriot economy itself — a crucial bond of trust between a government and its citizens was snapped.

“It is the first time ever that the leader of a euro zone country has admitted that he could not afford to pay the guarantee,” Mr. Dor said.

A hasty expulsion from the euro zone would make the savings of the Cypriot people all the more evanescent, once they are converted back into Cypriot pounds, the currency Cyprus used before adopting the euro in 2007.

Analysts project that the de facto devaluation would be not only immediate — estimates range from 30 to 40 percent — but extremely punitive, given the high household and corporate debts that burden Cypriots.

That means that in addition to Cyprus’s defaulting on its debts, many individuals and small businesses, the backbone of the country’s economy, would go bankrupt and the country would face a depression that could rival Greece’s in its severity.

“You would see genuine poverty in a euro area country,” said Gabriel Sterne, an analyst at Exotix, a London-based investment bank that specializes in distressed debt.

Nevertheless, the anger and frustration among Cypriots toward Berlin and Brussels is such that in a recent poll, 91 percent of respondents said they would rather leave the [European Union](#) than submit to the deposit taxes demanded of them.

Six years after Cyprus adopted the euro, economists in Nicosia are dusting off their currency-assessment models to better understand what the immediate economic effect might be if the Cypriot pound were to be reintroduced.

They conclude that while Cypriot’s exports would be cheaper for foreign buyers, the cost of imports would skyrocket.

The price of imported oil in particular would soar, with profound economic impact because oil is used to produce electricity that already costs more than almost anywhere else in Europe, according to Alexandros Apostolides, a local economist engaged in such a study.

Already, Mr. Apostolides, points out, there are hints that Cypriots are bracing for the inflation that would accompany a devalued pound: many proprietors demand cash, refusing to accept credit and debit cards.

For all that, he says, there are many in Cyprus who still have a fond memory of the pound, which unlike the volatile drachma, was always a stable currency.

“I think we are really underestimating the shock that will come,” Mr. Apostolides said. “But people have seen the death cycle of Greece.”

And Cypriots feel they have been blackmailed by the European Central Bank’s vows to cut off essential low-interest loans to the country’s banks, unless Cyprus quickly agrees to Europe’s bailout terms, he said.

“That is a very dangerous mix.”

ECB To Set "Fair" Cypriot Standard Of Living Via Capital Controls



Submitted by [Tyler Durden](#) on 03/22/2013 00:59 -0400

74,23

As Europe wakes up to what could be a tumultuous day, Handelsblatt reports that the **ECB has decided that, due to the "great danger" of a bank run once they reopen next week, it will enforce capital controls independently of Cypriot (elected) officials.** With perhaps a nod towards negotiating some ELA funding for Cypriot banks next week (*if the government accepts this ECB-enforced 'program'*), the rather stunning restrictions on people's private property include:

- **Freezing Savings - no time-frame** (*it's not your money anymore*)
- **Make bank transfers dependent on Central Bank approval** (*a money tzar?*)
- **Lower ATM withdrawal limits** (*spend it how we say?*)

The capital controls will be designed "so that citizens have access to sufficient cash to go about their lives." So, there it is, a European Union imposed decision on just how much money each Cypriot can spend per day. Wasn't it just last week, we were told Europe is fixed?

Handelsblatt cites unidentified central bank sources so we wonder whether this is yet another strawman shot across the bow as the Cypriot government heads in for an early start of discussions at 10am (GMT)

Ein Zwischenruf

Studiengebühren? Was sonst!

21.03.2013 · Ein Bundesland nach dem anderen schafft die Studiengebühren ab. Gleichzeitig steigen die Studentenzahlen. Diese Rechnung kann nicht aufgehen. Ein Zwischenruf aus Thüringen.

Von Klaus Watzka

74,24



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Es gibt Themen, die aufgrund der öffentlichen und politischen Meinung fast schon einem Diskusstabu unterliegen. Eine systematische Auseinandersetzung mit vorurteilsfreier Prüfung aller Pro-und-Contra-Argumente findet dann kaum noch statt. Die Thematik „Studiengebühren“ gehört zu diesen Tabuthemen. Seit man sich in Thüringen unter dem damaligen Ministerpräsidenten Althaus gegen ihre Erhebung festgelegt hat, gilt das Thema quer durch alle politischen Parteien offenbar als endgültig entschieden.

Damit liegt man im bundespolitischen Trend. Mit Bayern und Niedersachsen werden sich die letzten beiden Bundesländer bald von dieser Säule der Hochschulfinanzierung verabschiedet haben. Studiengebühren sind mit dem Stigma „unsozial“ belegt, und damit erübrigt sich jede weitere Diskussion. Was alle tun, muss aber noch lange nicht richtig sein. Und was gestern und heute richtig war, muss es nicht zwangsläufig auch morgen sein.

Weniger Geld, mehr Studenten

Denn die Zeiten haben sich mittlerweile grundlegend geändert. Die ohnehin schon hochverschuldeten öffentlichen Haushalte sind durch die Staatsschuldenkrise in Europa noch weiter ausgehöhlt worden. Finanzielle Lasten durch die Alterung der Bevölkerung (Beamtenpensionen!), die Schuldenbremse und das Auslaufen der Förderhöchstsätze aus den EU-Strukturfonds werfen auch in Thüringen ihre Schatten voraus. Der finanzielle Spielraum für politische Gestaltungsziele wird durch absehbaren Sparzwang massiv verengt. Nennenswerte Mittelaufstockungen für die Hochschulen im Freistaat sind unter diesen Rahmenbedingungen wohl nicht zu erwarten.

Auf der anderen Seite belasten die Energiewende mit den deutlich angestiegenen Preisen für Heizung und Strom, aber auch die nicht durchfinanzierten Tariflohnsteigerungen die Kostenrechnungen der Hochschulen deutlich. Im Ergebnis kommen am Ort der eigentlichen Leistungsentstehung - und das sind im Hochschulbetrieb nun einmal die Fachbereiche, die im grundständigen Betrieb die Lehr-, Prüfungs-, Publikations- und Forschungsaufgaben wahrnehmen - immer weniger Finanzmittel an. Gleichzeitig gilt in Deutschland das politische Ziel, immer mehr Menschen einen Hochschulabschluss zu ermöglichen, also die

Studierquote im internationalen Vergleich anzuheben. Das passt mit der angespannten Finanz- und Überlastsituation an den Hochschulen überhaupt nicht zusammen.

Wie sieht nun die finanzielle Situation „an der Basis“ mittlerweile aus? Es soll exemplarisch am eigenen Fachbereich Betriebswirtschaft der Ernst-Abbé-Fachhochschule Jena aufgezeigt werden. Von 22 zugewiesenen - also ursprünglich geplanten und für nötig erachteten - Professorenstellen können aus finanziellen Gründen lediglich 17 besetzt werden. Irgendwie geht's, aber alles hat mittlerweile sehr stark den Charakter des „Durchwurstelns“. Einschränkungen beim Veranstaltungsangebot und Veranstaltungsgrößen mit didaktisch höchst suboptimalen Gruppengrößen sind unausweichliche Konsequenzen. Das Kleingruppenkonzept - ursprünglich ein wichtiges Differenzierungsmerkmal von Fachhochschulen gegenüber Universitäten - liegt in Agonie. Der ungeplante Ausfall einer Beamer-Birne im Wert von 300 Euro wird zum Jahresende hin zum ernststen Finanzierungsproblem. Papier ist rationiert. Über Drittmittel eingeworbenes zusätzliches wissenschaftliches Personal kann aus Gründen der Raumknappheit nur durch höchst kunstvolle Rochaden untergebracht werden.

Wer soll die Bildungsrepublik Deutschland bezahlen?

Das gesamte Jahresbudget für den Fachbereich mit etwa 750 Studierenden liegt bei etwa 90 000 Euro. Pro Student und Monat sind das 10 Euro. Üppig sieht anders aus. Daraus sind dann der gesamte Geschäftsbedarf (u.a. Telefon, Büromaterial, Vervielfältigungen, Reisekosten, technische Büroausstattung) und große Teile der technischen Ausstattung in den Laboren (u.a. PCs, Software) zu finanzieren und instand zu halten.

Die Summe enthält auch das persönliche Jahresbudget eines Professors zur individuellen Verwendung für Dienstreisen, Literatur, Anschaffung technischer Bürogeräte und Einstellung von studentischen Hilfskräften. Dieses ist mittlerweile bei 750 Euro im Jahr angelangt. Das sind 62,50 Euro im Monat. Hier ist endgültig die Grenze der Lächerlichkeit in der „Bildungsrepublik Deutschland“ erreicht.

Was also tun, wenn die öffentliche Hand als Garant einer verbesserten Hochschulfinanzierung weitgehend ausfällt? Die Thematik „Studiengebühren“ muss wieder auf die Agenda der politischen Diskussion - und zwar ganz schnell und ganz oben! Will man die Hochschulstruktur in der derzeitigen Form erhalten und nicht den Kapital freisetzenden Weg der Schließung oder Zusammenlegung von Hochschulen und/oder Fakultäten/Fachbereichen gehen, dann sind Studiengebühren als wichtiger Finanzierungsbeitrag ein naheliegender und unausweichlicher Weg.

Es geht an die Substanz

Es ist jedenfalls keine Alternative, den Hochschulen jedes Jahr neue lähmende Spardiskussionen zuzumuten. In fast allen Organisationen existieren Sparpotentiale, die man heben kann. Auch Hochschulen in den neuen Ländern hatten in den Jahren nach der Wende nach meinem Eindruck einige Reserven. Mittlerweile ist die Fettabsaugung aber nicht nur am Muskel, sondern eher am Knochengerüst angelangt. Der grundständige Lehr- und Studienbetrieb zeigt unübersehbare Auszehrungstendenzen.

Die Thüringer Politik beispielsweise sollte darum die Kraft haben, das Thema „Studiengebühren“ mutig anzugehen. Verantwortungsvolle Politik heißt eben auch, das Notwendige zu tun und nicht nur das, was kurzfristig Beifall und Wählerstimmen verheißt. Die neue Bundesbildungsministerin, Johanna Wanka, wird derzeit häufig mit ihrer Prognose zitiert, dass es im Jahr 2017 überall in Deutschland wieder Studiengebühren geben wird ([F.A.Z. vom 19. Februar 2013](#)).

Dabei ist noch nicht einmal ausgemacht, dass die Einführung von Studiengebühren per saldo wirklich Wählerstimmen kostet. Denn ein wichtiger Aspekt ist, dass Nichtakademiker in einem kostenfreien Hochschulsystem über ihre Steuern die Chancen auf ein überdurchschnittliches Lebenseinkommen von Akademikern mitfinanzieren. Eingewandt wird dann immer, dass nach dem Studium die Besserverdienenden über den progressiven Einkommensteuertarif auch an der Finanzierung des Gemeinwesens stärker beteiligt sind. Das Argument ist zweifellos richtig. Allerdings landen diese Steuerzahlungen „irgendwo“, nicht spezifisch an den Hochschulen. Und schon die Chance auf ein überdurchschnittlich hohes Einkommen hat

einen ökonomischen Wert, der mit einem angemessenen Preis versehen werden kann. Viele in der Gesellschaft haben diese Chance eines Hochschulzugangs nicht. Sie werden moderate Studiengebühren als gerecht empfinden.

Soeben hat auch eine Studie des „Kronberger Kreises“ moniert, dass die Bildungsfinanzierung in Deutschland „auf dem Kopf“ steht. Bildung im Kindergarten, von der die gesamte Gesellschaft ökonomisch stark profitiert, wird zu einem hohen Anteil privat von den Eltern finanziert. Hochschulbildung, aus der primär der Einzelne hohen ökonomischen Nutzen zieht, ist dagegen kostenfrei. Es müsste genau andersherum sein.

Ein flexibles System ist wichtig

Nun zur Ausgestaltung von Studiengebühren. Offensichtlich kann man sich vielfach nur einen uniformen Betrag von 500 Euro je Semester vorstellen, der von allen Studierenden an allen Hochschulen und in allen Studiengängen gleichermaßen zu entrichten ist. Das System muss auf alle Fälle flexibel angelegt werden. Grundsätzlich sollte jede Hochschule und jeder Fachbereich für sich entscheiden können, ob Studiengebühren erhoben werden sollen oder nicht. Und auch die Höhe muss bis zu einer definierten Obergrenze variabel sein. Gut nachgefragte Studiengänge können so eher mit einem Preis nahe der Höchstgrenze versehen werden; für schwächer nachgefragte Ausbildungsangebote wird man einen tieferen Preis wählen oder im Extremfall auch ganz auf Studiengebühren verzichten.

Auf alle Fälle sollte die Entscheidung dezentral getroffen werden können. Das wäre Hochschul- und Fachbereichsautonomie. Auf alle Fälle würden zusätzliche Finanzmittel gezielt dorthin gelenkt, wo sie wegen erhöhter Nachfrage auch am dringlichsten benötigt werden.

Um welche Beträge geht es? Sind 33 Euro im Monat unzumutbar?

Nun darf aber keinesfalls eine Fehlsteuerung der Art einsetzen, dass rein aus dem Motiv der Vermeidung von Studiengebühren Fächer studiert werden, die nicht den eigenen Talenten und Neigungen entsprechen. Damit gewinnt die absolute Höhe von Studiengebühren große Relevanz. Sie muss so gewählt werden, dass Studieninteressierte mit hoher Wahrscheinlichkeit die Wahl des Studienfachs und des Studienorts nicht von diesem Betrag abhängig machen. Daher soll konkret eine Studiengebühr in Höhe von 200 Euro je Semester zur Diskussion gestellt werden.

Über ein gesamtes Bachelor-Studium von sieben Semestern (3,5 Jahre) addieren sich so Gesamtkosten für die Studierenden von 1400 Euro. Heruntergebrochen auf einen einzelnen Monat, reden wir über 33 Euro. Dafür gibt es an den Hochschulen ein tagesfüllendes Bildungsprogramm samt guter Chancen auf ein erhöhtes Lebens Einkommen. Etliche Handy-Flatrates oder Beiträge für Fitness-Studios kosten mehr. Studiengebühren in dieser Höhe sind sozialverträglich. Sollte jemand die Entscheidung zum Studium tatsächlich von diesem Betrag abhängig machen, müsste man an der Ernsthaftigkeit des Studienwunschs zweifeln.

Die Nachteile nachgelagerter Studiengebühren

Andererseits reden wir hier über einen Betrag, der zumindest für die nichttechnischen Fachbereiche mittelgroßer Fachhochschulen einen wichtigen Finanzierungsbeitrag darstellen kann. Am konkreten Beispiel unseres Fachbereichs mit 750 Studierenden käme es pro Jahr zu zusätzlichen Einnahmen von 300.000 Euro. Das reicht für die Finanzierung von drei zusätzlichen Professuren auf W2-Niveau. Diese kämen den Studierenden über ein verbessertes Lehrveranstaltungsangebot und verkleinerte Seminargruppen unmittelbar zugute.

Diskutiert werden immer wieder sogenannte „nachgelagerte Studiengebühren“. Eine Zahlungspflicht an die Hochschule setzt dabei erst nach erfolgreichem Studienabschluss ein und auch erst dann, wenn ein Arbeitseinkommen einer bestimmten Mindesthöhe erzielt wird. Im Rahmen des hier vorgeschlagenen Modells wird ein solches Verfahren aus drei Gründen abgelehnt. Erstens soll durchaus schon die Chance auf ein hohes Lebens Einkommen moderat „bepreist“ werden.

Zweitens würden nachgelagerte Studiengebühren ein Verwaltungsmonster schaffen. Und drittens ist es psychologisch gesehen ungeschickt, ehemalige Studierende für etwas zahlen zu lassen, von dem sie selbst nicht mehr unmittelbar profitieren. Viel motivierender ist es, schon während des eigenen Studiums den Nutzen aus den gezahlten Beträgen ziehen zu können. Die Hochschulen wären dann in der Pflicht, die Mittelverwendung auch hinreichend transparent zu machen.

Eine wichtige Anmerkung zum Abschluss: Studiengebühren verbessern die Situation im Hochschulbetrieb natürlich nur, wenn sie auch ungekürzt an der „Werkbank“, also in den Fachbereichen ankommen. Sie müssen „on top“ zur staatlichen Hochschulfinanzierung erhoben werden und dürfen kein Anlass sein, dass sich die öffentliche Hand parallel als Finanzier zurückzieht.

Der Autor unterrichtet Betriebswirtschaftslehre an der Ernst-Abbe-Fachhochschule Jena.

Quelle: F.A.Z.

Euro-Krise

Enteignung der Sparer

30.10.2012 · Angesichts der niedrigen Zinsen frisst die Inflation in der Eurozone das Kapital der Sparer auf. Das ist „kalte Enteignung“. Darauf sollte jeder Anleger reagieren.

Von [Holger Steltzner](#)

74,28

Die „Euro-Rettung“ verunsichert die Leute. Viele Leute legen wegen der Krise noch mehr Geld zurück, aber sie bekommen immer weniger Zinsen dafür. Angesichts einer Verzinsung von oft weniger als einem halben Prozent ist es fast egal, ob man sein Geld bei der Bank lässt oder Bargeld hortet, was übrigens mehr Leute tun als man denkt.

Schlimmer als der entgangene Zins aufs Sparbuch ist, dass die hohe Inflationsrate von derzeit 2,7 Prozent in der Eurozone das Kapital der Sparer auffrisst. Diese dürfen sich bei der Europäischen Zentralbank bedanken, die mit Zinsen fast zum Nulltarif Banken und Staaten rettet. Wer will heute noch jungen Leuten raten, mit einem Sparplan fürs Alter zu sorgen?

Es finde eine „kalte Enteignung“ von Sparern und Kunden von Lebensversicherungen statt, beklagt Georg Fahrenschon, Präsident des Sparkassenverbands. Recht hat er. Sparer sind Opfer der EZB, Gewinner ihrer extrem lockeren Geldpolitik sind neben Banken und Staaten die Besitzer von Häusern und Aktien. Das ist politisch gewollt, nicht nur in Europa, sondern auch in Japan und Amerika. Ziel dieser „Rettungspolitik“ ist die Entschuldung der Staaten zulasten der Sparer. Darauf sollte jeder Anleger reagieren.

The Cyprus bail-in

A bungled bank raid

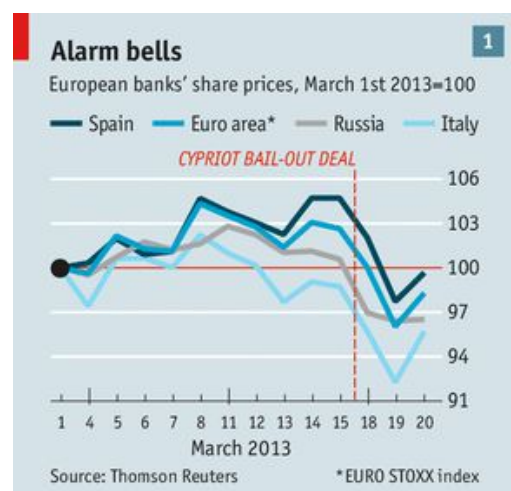
European leaders tear up the rules, with unpredictable consequences

Mar 23rd 2013 | Moscow and Nicosia | [From the print edition](#)

74,29



IT TAKES some doing to induce nostalgia for Jean-Claude Juncker. The prime minister of Luxembourg was the head of the Eurogroup of finance ministers when the bail-outs of Greece, Ireland, Portugal and Spain's banks were agreed on. Those deals now seem like a model of sure-footedness. A bail-out intended to rescue Cyprus and keep it in the 17-strong euro zone backfired so badly this week that the risk of the small island economy tumbling out of the single currency suddenly became real. Although bond markets have remained fairly calm, bank shares have fallen (see chart 1). Even if exit can be averted, the botched bail-out has done a wrecking job on the frail Cypriot economy and beyond.



The deal reached in the wee hours of March 16th in effect “bailed in” all the island’s bank depositors, insured as well as uninsured. The 9.9% levy on deposits above the €100,000 (\$130,000) deposit-guarantee threshold alienated Russia, which exercises a lot of influence in the Cypriot economy, not least through big deposits held there by its businesses and banks. The 6.75% tax on guaranteed deposits sparked such an outcry in Cyprus that, even when the rescue package was sweetened with an exemption for accounts below €20,000, not a single MP backed it when it was put to the vote on March 19th.

Nicos Anastasiades, the new Cypriot president, quickly dispatched his finance minister to Moscow to see if Russia would come up with some cash. As *The Economist* went to press, no deal had been done and the island’s options were narrowing. Cypriot banks will not reopen until March 26th. Although cash machines are being refilled, banks cannot stay shut indefinitely. The European Central Bank (ECB) has said it will cut off funding for the banks after March 25th if a deal is not in place by then.

Whatever happens a run is likely when banks reopen. Locals will transfer their savings to deposit boxes and mattresses. Owners of foreign firms based in Cyprus because of its low tax rate and light regulation will try to move funds.

How did things get to such a pass? Cyprus's financial mess was the hardest case that the euro-zone finance ministers, along with the IMF and the ECB, have had to tackle. Although the absolute amount of money needed, at around €17 billion, was small compared with earlier bail-outs, it was almost as big as the tiny Cypriot economy. That threatened to take Cyprus's public debt to an unsustainable 145% of GDP at the outset, a sticking-point for the IMF in particular. More than half of the total funding needed—€10 billion—would recapitalise Cyprus's bloated banks, especially its two largest ones, which together have assets four times as large as its GDP.

And fatally undermining the saleability of a full rescue to northern European taxpayers, the island's banks were awash with Russian money, much of it said to be of dubious origin. (The reality is more complicated: although Cyprus is indeed home to billions held by Russian oligarchs and shady businessmen, its banks also hold scores of current accounts of ordinary small and medium-sized Russian firms.)

Despite the warning signs, the terms of the bail-out presented at the weekend's Eurogroup meeting were a genuine shock, not least to the Cypriot delegation. For Mr Anastasiades, the outcome was humiliating. He had pledged in his inauguration speech only two weeks earlier that in no circumstances would depositors suffer a "haircut". Yet that is precisely what he was forced to concede, despite weasel protestations that a tax on deposits is different.

That levy was needed in order to meet the German demand that the size of the overall bail-out, from the Europeans and the IMF, should be limited to €10 billion. The resulting hole, of over €7 billion, had to be filled by the Cypriots themselves. Since privatisation proceeds could contribute no more than €1.4 billion, the lion's share, of €5.8 billion, would have to come from raiding the only source of ready cash, bank deposits in Cyprus, worth €68 billion at the end of January. (They were likely to be lower than that by early March as clued-up investors got their money out.)

The readiness of creditor countries to touch depositors was somewhat surprising, since with the exception of the recent wind-up of Anglo Irish, a failed Irish bank, they have been spared during the euro crisis for fear of a bank run. Far more extraordinary was the decision to hit insured as well as uninsured depositors.

The Cypriots had their own reasons for this piece of madness: their reliance on Russia, both financially and politically. Russian corporate and banking deposits in Cyprus were worth \$31 billion late last year, according to Moody's, a ratings agency—about a third of all deposits. Money flows the other way, too. According to Morgan Stanley, Cyprus provided \$203 billion in loans, or 24% of total lending to Russia, between 2007 and 2011. When the Cypriot government lost access to the financial markets, it turned first to Russia, which lent it €2.5 billion in 2011.

In a bid to retain Cyprus's appeal to Russians, Mr Anastasiades apparently wanted to keep the tax raid on depositors below 10%. Since the total value of deposits above €100,000 was an estimated €38 billion, that meant he could raise only €3.8 billion from them. So a 6.75% tax on the remaining €30 billion in smaller deposits was needed, in order to raise the missing €2 billion.

The deal quickly started to unravel, as it became clear that politics matters in Cyprus as well as Germany. With Cypriot MPs unwilling to endorse the deal, and Germany insisting that it would not budge on its terms, Cyprus turned once again to Russia. After arriving in Moscow, the island's finance minister, Michalis Sarris, pledged to stay there for as long as it took to reach a deal.

For sale: island with gas

A game of brinkmanship is now under way, involving geopolitics as well as economics, as Cyprus seeks to play one of its few remaining cards, the recent discovery of an offshore gasfield (see [article](#)). The outcome is difficult to predict. Having come out as a strong critic of the depositor levy, Vladimir Putin, Russia's president,

now needs to show he can protect the interests of Russian elites abroad, according to Alexander Kliment of Eurasia Group, a consultancy. That argues for stepping in to help. Yet in recent months Mr Putin has also launched a public campaign to bring Russian offshore assets home. Even if Russia were to provide extra support (besides a hoped-for extension of its €2.5 billion loan beyond 2016 and lower interest on it), Mr Putin would strike a hard bargain in trying to secure control over the gas.

Any Russian help might be unacceptable to the euro-zone rescuers. First, it would mean a big extension of Russian influence (though the time to worry about that was when striking the weekend deal). And second, Germany in particular would be loth to sanction Russian help in the form of a loan, since this would add to Cyprus's debt burden and vitiate attempts to put it on a sustainable footing.

If Cyprus fails to get sufficient support from Russia (which, after all, turned down pleas for further help last year), then two other possibilities remain. The first is that the stand-off between Cyprus and Germany proves impossible to resolve. To show that Germany and other creditor countries like Finland, not to mention the ECB, can say "no", Cyprus might in effect be expelled from the euro.

That would be a moment of peril for the euro area, which seemed to have rejected such a course with Greece last summer. There are arguments that Cyprus is too small (and its banks less entangled with the rest of the euro area, bar Greece) to pose a systemic risk. The ECB's commitment to buy bonds without limit might be enough to stop panic erupting. But this would clearly rekindle many of the fears that were so pernicious last year.

The more likely outcome is one in which the Cypriots still take most of their punishment, though sparing smaller depositors. As *The Economist* went to press, Cypriot officials were frantically drawing up a "Plan B" involving everything from gas-backed bonds to church-owned land to raids on pension funds.

A great deal of damage is already done. The harm will be gravest for Cyprus. The European Commission recently forecast that its economy, which shrank by 2.3% last year, would contract by 3.5% in 2013. That now looks like wishful thinking. A Greek-style slide (Greece's GDP has contracted by 20% over five years) seems much more likely. By sabotaging the deal's original projections, which saw Cypriot public debt supposedly reduced to 100% of GDP by 2020, that is likely in turn to necessitate a second bail-out.



The damage will extend well beyond Cyprus. Creditors to weak banks in other beleaguered economies will take note of the treatment meted out to Cypriot savers. Although a bank run outside Cyprus is unlikely, deposits in southern Europe may start jogging out of the system again (see chart 2). That will hamper attempts to loosen the credit squeeze in the periphery.

Most of all, investors will take note of the noxious politics of euro-zone bail-outs. When push comes to shove, national politics trump aspirations like Europe-wide deposit guarantees. Despite attempts to portray the deal as another "one-off", that lesson will not soon be forgotten.

[From the print edition: Finance and economics](#)

French politics

Sarkozy under formal investigation

Mar 22nd 2013, 13:13 by S.P. | PARIS

74,32



“A THUNDERBOLT”, is how one French paper greeted the news that Nicolas Sarkozy was placed under formal judicial investigation, late on March 21st. The former French president is to be investigated for “abuse of frailty”, in connection with an illegal party-financing case linked to Liliane Bettencourt, the elderly billionaire heiress to the L’Oréal cosmetics empire.

The Bettencourt case, which began as a dynastic dispute and turned into a saga that mixes alleged tax evasion, a tropical island, domestic servants, fabulous wealth and political party-financing, has been underway for several years. Nearly a dozen people have been put under formal investigation, including Eric Woerth, the former treasurer of Mr Sarkozy’s UMP party and an ex-minister. Until now, it looked as if Mr Sarkozy had escaped such a fate. Last November investigating judges held him for 12 hours of questioning, as a witness in the case, but decided not to pursue a formal investigation.

On March 21st, however, investigating judges in Bordeaux questioned Mr Sarkozy again, and confronted him with various witnesses, including Mrs Bettencourt’s former butler, Pascal Bonnefoy, and other former domestic staff. This time, the investigating judge decided that he had enough evidence to go ahead.

The case centres around whether or not Mr Sarkozy requested or received illegal sums from Mrs Bettencourt to help to finance his successful 2007 election campaign. Under French law, no private individual can contribute more than €4,600 (\$5,960). Investigators are looking into allegations that €150,000 was transferred by Mrs Bettencourt’s former wealth manager to Mr Sarkozy’s party. The heiress’s former butler, whose tape of private conversations at her house triggered part of the investigation, alleges that there have been several meetings between Mr Sarkozy and the Bettencourts. The family’s mansion is in Neuilly, a posy suburb of Paris where Mr Sarkozy was mayor for many years.

For his part, Mr Sarkozy has denied all allegations. According to leaked testimony after his hearing by investigators last November, he said that: “The Bettencourts never gave me a penny, and I never asked anything of them”. The former president acknowledges dining with the Bettencourts at their mansion before his election, and meeting Liliane Bettencourt once afterwards, but in neither case, he says, did he request donations. Mr Sarkozy’s lawyer has called the decision to put his client under formal investigation “inconsistent” and “unfair”, and said that he will appeal.

As politicians digested the news, some UMP members seized on the idea of a conspiracy. Christian Estrosi, a former minister under Mr Sarkozy, denounced an “obvious hint of politics”, noting that the judge’s decision came two days after a Socialist minister, Jérôme Cahuzac, resigned in connection with a tax-fraud investigation. Henri Guaino, a deputy and former Elysée adviser to Mr Sarkozy, said that the judge had “dishonoured” the justice system. Others did not go this far, but did not hesitate to criticise the judicial decision. François Fillon, Mr Sarkozy’s former prime minister, declared the move “extravagant”.

Although Mr Sarkozy is presumed innocent during a formal investigation, this sort of probe can go on for years, and can mark public opinion even if the suspect is acquitted. It comes at a particularly awkward time for the former president, who had begun to hint at a political come-back in time for the 2017 presidential election, something he had previously ruled out after his defeat last year by François Hollande. Polls even suggested that the French had begun to forgive him. One, in *Paris-Match* magazine, shows that, if a run-off vote were held today, 53% would back Mr Sarkozy compared with just 44% for Mr Hollande.

It would be a mistake, however, to assume that this rules out for ever Mr Sarkozy's return. He could yet be acquitted. And the French have a remarkably forgiving approach even to those found guilty of political wrongdoing. Indeed, Mr Sarkozy himself knows something about this. Alain Juppé, a one-time conservative prime minister, was once convicted for political corruption in connection with a fake jobs scandal at the Paris town hall. Mr Sarkozy brought him back into government, and appointed him foreign minister.

Deutsche fürchten wegen Schuldenkrise um Ersparnisse

22.03.2013 · Die Euro-Schuldenkrise verunsichert die Deutschen: Fast jeder Zweite bangt um Ersparnisse, das zeigen neue Umfrageergebnisse.

Die heikle Lage in Zypern heizt in Deutschland die Angst vor den Folgen der Euro-Schuldenkrise an: Laut Umfrageergebnissen bangt fast jeder zweite Deutsche um seine Ersparnisse

Die Hängepartie im Krisenland Zypern hat die Euro-Schuldenkrise wieder stärker ins Bewusstsein der Deutschen gerufen. Vor allem die Angst der Menschen um ihre Ersparnisse ist deutlich gestiegen, wie das [ZDF-„Politbarometer“](#) und der [ARD-„Deutschlandtrend“](#) zeigen.

Demnach sagt im Zusammenhang mit der Schuldenkrise inzwischen fast jeder Zweite (49 Prozent beim ZDF/48 bei der ARD), dass er sich Sorgen ums Geld mache. Keine Angst haben nach dem am Freitag veröffentlichten ZDF-„Politbarometer“ 39 Prozent und 11 Prozent haben nach eigenen Angaben gar keine Ersparnisse. Die Besorgnis ist im Vergleich zum Juni 2012 deutlich angestiegen, als 39 Prozent solche Befürchtungen äußerten.

Dennoch glauben noch immer 63 Prozent, dass in Deutschland Spareinlagen sicher sind, gut ein Drittel (34 Prozent) bezweifelt dies. Bei der Umfrage wurde die Krise im Euroraum erstmals in diesem Jahr als das bei weitem wichtigste Problem in Deutschland genannt.

Mehrheit stützt den Kurs von Kanzlerin Merkel

Noch skeptischer zeigten sich die Menschen bei einer Meinungsumfrage des Instituts YouGov: Dort bezweifeln 42 Prozent der (1034) Befragten, dass ihre Spareinlagen sicher sind. Neun Prozent horten ihr Geld bereits zu Hause, zwölf Prozent planen das.

Laut ARD-„Deutschlandtrend“ ist mit 59 Prozent die Mehrheit aber nach wie vor der Meinung, dass Kanzlerin Angela Merkel (CDU) in der Krise richtig und entschlossen gehandelt hat. 39 Prozent glauben, dass die Union die Kompetenz hat, die Schuldenkrise in den Griff zu bekommen.

Nur für 16 Prozent der Befragten ist die SPD die kompetentere Partei. Das Institut Infratest dimap befragte am 19. und 20. März 1008 Bundesbürger.

Eine [Studie der Deutschen Bundesbank hatte ergeben, dass das Vermögen der Deutschen ohnehin geringer ist als das der Nachbarn](#). Gerade im Euro-Krisenland Spanien, aber auch in Italien hatten die Haushalte nach der Umfrage von 2010/2011 mehr Vermögen angehäuft.

Nach den Zahlen der Bundesbank liegt das mittlere Nettovermögen eines deutschen Haushalts bei 51 400 Euro - und ist damit deutlich weniger als in Frankreich (113 500 Euro), Italien (163 900) oder vor allem in Spanien mit 178 300 Euro.

Ein wichtiger Grund für dieses Gefälle ist allerdings, dass gerade in Spanien deutlich mehr Haushalte eine Immobilie besitzen als in Deutschland: 82,7 Prozent gegenüber 44,2 Prozent hierzulande.

Syrie : l'Europe vers une demi-mesure

Par [Jean-Jacques Mevel](#) Mis à jour le 22/03/2013 à 22:47 | publié le 22/03/2013 à 19:14 [Réactions](#) (1)

74,35



Maarat al-Numan, dans le nord-ouest du pays, le 20 mars. Jetés hors des villes par les bombardements incessants, plus d'un million de Syriens sont désormais des réfugiés. Crédits photo : BULENT KILIC/AFP

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La levée de l'embargo sur les armes prônée par la France divise toujours ses partenaires de l'UE.

Envoyé spécial à Dublin

Réalisme oblige, la France change de ligne de mire: les Européens, profondément déchirés à l'idée de livrer des armes de guerre aux rebelles syriens, pourraient se résoudre à maintenir l'embargo, quitte à l'amender, plutôt que de le lever vite et franchement ainsi que l'a demandé [François Hollande](#) il y a dix jours.

Face aux incontournables réserves de l'Allemagne, de l'Europe centrale et de la Scandinavie, cette voie moyenne a paru gagner des soutiens vendredi, lors d'un rendez-vous informel des 27 ministres des Affaires étrangères à Dublin. Le Royaume-Uni, qui évitait jusqu'ici un isolement total à la France, est prêt à s'y rallier faute de mieux: «L'aggravation de la situation en [Syrie](#) plaide pour une levée de l'embargo, dit le Britannique William Hague. Ou au minimum pour de sérieux amendements.»

Le maintien de l'interdit, sous une forme à préciser après l'expiration programmée le 31 mai, permettrait de sauvegarder l'unité apparente de l'UE sur une question cruciale pour son voisinage méditerranéen. «Lorsque l'Europe parle d'une seule voix, elle est plus utile et plus efficace », observe l'Allemand Guido Westerwelle.

L'Allemagne «reste tout à fait réticente à une levée de l'embargo, ajoute-t-il. Mais nous n'excluons pas que la position européenne puisse évoluer...» La porte est donc entrouverte.

La France, de son côté, se prépare à une demi-mesure de compromis, faute d'avoir convaincu ni sur la nécessité de livrer des armes de guerre à la révolte, ni sur les garanties à offrir au reste de l'Europe. L'embargo, ce n'est pas une affaire en noir et blanc, explique l'entourage de Laurent Fabius, c'est un problème concret que Paris a réussi à imposer dans le débat. Le ministre français confirme : «Comment empêcher [Bachar el-Assad](#) de continuer à massacrer la population et les résistants syriens? Voilà la vraie question» posée à l'Europe, dit-il.

Le Royaume-Uni apporte une réponse nuancée. En desserrant l'interdit européen, il s'agirait non plus de fournir un arsenal à la rébellion, mais d'envoyer un signal fort au régime de Damas: «L'essentiel est de soutenir un règlement diplomatique et politique en Syrie», poursuit William Hague. Il souhaite parvenir à un accord au sein de l'UE, mais la discussion, prévient-il, «pourrait encore durer quelques mois ».

Le risque des armes chimiques

Paris et Londres ne relâchent pas pour autant la pression politique sur leurs partenaires. À Dublin, Laurent Fabius a «beaucoup insisté » sur la menace que font peser les armes interdites de Bachar el-Assad. Il s'en est inquiété dans une lettre à ses partenaires, cosignée par William Hague: «La crise menace chaque jour davantage la sécurité régionale (...) et nous sommes de plus en plus inquiets de voir le régime disposé à recourir aux armes chimiques.»

Pour l'UE, l'épreuve de vérité reste à venir: s'entendre sur les fameux «amendements ». Bref, énumérer précisément d'ici à quelques semaines ce qui doit être soustrait à l'embargo existant. Armes défensives ou offensives ? Certains, comme l'Autrichien Michael Spindelegger, refusent en bloc parce que cela «ne donnerait pas davantage de chances à la paix ». Et beaucoup continuent de craindre que l'arsenal ne tombe en de mauvaises mains, malgré les assurances récemment prodiguées par le président Hollande. «Ces garanties, pour le moment, on ne les a toujours pas vues », s'inquiète le Belge Didier Reynders.

Geburtenrate in Deutschland

Bald wieder mehr Kinder?

22.03.2013 · Trotz sinkender Geburtenziffer prognostizieren Bevölkerungsforscher einen Anstieg der Geburtenrate in Deutschland. Denn Eltern bekommen heutzutage nicht weniger Kinder – sie lassen sich nur mehr Zeit.

Von Axel Wermelskirchen

74,37



© dapd 1,77 Kinder pro Frau: Die Geburtenrate in Deutschland soll in den nächsten Jahren wieder steigen

Die endgültige Geburtenrate in Deutschland wird nach Darstellung von Bevölkerungswissenschaftlern in den kommenden Jahren wieder steigen. Es gebe Anzeichen für eine Trendwende, teilten Wissenschaftler des Max-Planck-Instituts für demografische Forschung in Rostock am Donnerstag mit.

Mit den Frauen, die in den siebziger Jahren geboren wurden, steige die durchschnittliche Kinderzahl wieder. Veröffentlicht wurden die Ergebnisse jetzt im Wissenschaftsmagazin „Population and Development Review“; die Autoren der Arbeit sind Mikko Myrskylä, Joshua Goldstein und Yen-hsin Alice Cheng.

Die Rostocker Wissenschaftler haben mit neuen Berechnungsmethoden 37 Länder unter die Lupe genommen, unter denen viele bislang als Nationen mit besonders niedriger Fertilität galten. In 26 von ihnen steigen demnach die endgültigen Kinderzahlen pro Frau wieder oder sie sinken entgegen dem bislang beobachteten Abwärtstrend nicht weiter, sondern bleiben gleich.

Aktuell sichtbare Kinderzahl sinkt

Berechnet haben die Forscher die „endgültige Geburtenrate“. Die Kenngröße wird von Demografen auch als „Kohortenfertilität“ bezeichnet. Sie verweist auf die endgültige Zahl der Kinder, die Frauen eines bestimmten Geburtsjahrgangs (Kohorte) im Laufe ihres Lebens durchschnittlich bekommen. Exakt festgestellt werden kann das naturgemäß nur für Frauen, die 50 Jahre und älter sind und keine Kinder mehr bekommen. Für jüngere Jahrgänge schätzen die Forscher die Werte.

Die „endgültige Geburtenrate“ ist nicht zu verwechseln mit den in der Öffentlichkeit als „Geburtenrate“ bekannten Werten. Sie liegt in der Regel höher. Die Geburtenrate, in Deutschland „zusammengefasste Geburtenziffer“ genannt, gibt nicht die endgültige Zahl der Kinder an, die Frauen im Laufe ihres Lebens bekommen, sondern nur die aktuell sichtbare Kinderzahl pro Frau in einem bestimmten Kalenderjahr.

Da sich aber das Alter, in dem Frauen in den vergangenen Jahren Kinder bekommen haben, immer weiter nach hinten verschoben hat, war diese Geburtenziffer zuletzt in Deutschland gesunken. So gab das Statistische Bundesamt für 2011 eine „Periodenfertilität“ von 1,36 Kindern pro Frau an, die „Kohortenfertilität“ für Frauen, die im selben Kalenderjahr 35 waren, schätzen die Rostocker Forscher aber jetzt auf 1,54 für Ostdeutschland und 1,57 für Westdeutschland.

Joshua Goldstein sagt: „Die öffentlich debattierten Periodenraten sind zu einem großen Teil deswegen so niedrig, weil die Eltern später Kinder bekommen, nicht aber weniger.“ Für die heute 34 Jahre alten Frauen in Deutschland wird die Kohortenfertilität nach Darstellung der Rostocker Wissenschaftler bei rund 1,6 Kindern pro Frau liegen, mit steigendem Trend.

„Mit den Frauen, die in den siebziger Jahren geboren wurden, kommt die Trendwende“, sagt Goldstein. Im Osten markiere der Jahrgang 1971 das Ende des Rückgangs: Dessen Frauen werden nach den Berechnungen endgültig 1,51 Kinder geboren haben. Danach steigen die Werte, und die 1979 geborenen Frauen werden schon 1,58 Kinder zur Welt gebracht haben. Im Westen erreicht die Talsohle schon der Jahrgang 1968 mit endgültig 1,46 Kindern.

Die nur elf Jahre jüngeren Frauen des Jahrgangs 1979 werden hingegen auf 1,57 Kinder gekommen sein, wenn sie 50 Jahre alt sind. Im Durchschnitt aller 37 untersuchten Länder liegt die endgültige Geburtenrate für den Jahrgang 1975 bei 1,77 Kindern pro Frau. Außerordentliche Zuwächse gibt es zum Beispiel in Großbritannien und auch in den Vereinigten Staaten von Amerika. Entgegen dem allgemeinen Trend sinkt die Kohortenfertilität in wenigen Staaten der Welt weiter, etwa in Portugal oder Taiwan.

Quelle: F.A.Z.

German Central Bank Warns Of "Incendiary" Monetary Policy

Submitted by [Tyler Durden](#) on 03/22/2013 14:12 -0400

74,39

"The euro crisis is certainly not over yet," is how the Bundesbank's Jens Weidmann begins this intriguingly honest interview, adding that resolution "will take some time." Perhaps his most telling statement comes early on when he explains that "**believing that everything is okay now simply because the situation on the financial markets has eased is an illusion** and does not help matters," as imbalances remain unresolved. From French un-competitiveness to Italy's potential about-turn on reforms, the outspoken German then goes on to address a critical point: "**There are indeed some who see a solution to the crisis in the shape of higher inflation. I would regard such an approach as potentially incendiary.** Once you allow inflation, it becomes very difficult to tame. In the short term, our projections show no excessive increase in prices. However, I would caution against underestimating the medium to long-term risks to stability. There must be no doubt that, when the time is right, we will tighten monetary policy."

Interview with Jens Weidmann, President of the Deutsche Bundesbank

The interview was conducted by U. Dönch, J. Quoos und A. Wendt.

Translation: Deutsche Bundesbank

Mr Weidmann, the Bundesbank increased its risk provisioning to €14 billion this week because of the euro crisis. Does that mean you expect the worst is yet to come?

We have been engaged in a three-year process of building up provisions. These reflect the risks of monetary policy and of central bank crisis measures. The euro crisis is certainly not yet over. Resolving the crisis in lasting fashion will still take quite some time.

German finance minister Wolfgang Schäuble takes an entirely different view. Recently, he more or less gave the all-clear, yet you are sending out a new crisis signal.

Our assessment has not changed. We have always made the point that the euro crisis will not be over until the structural problems have been resolved – particularly the lack of competitiveness and the high level of debt. Believing that everything is okay now simply because the situation on the financial markets has eased is an illusion and does not help matters: it reduces the pressure to act to deal with the imbalances that continue to prevail.

How great a danger is there that major countries like France will not stick to their promises to reform? Will France succeed in turning its economy round?

There is no doubt that France has lost competitiveness and world market share and continues to run deficits. Action needs to be taken in these matters. However, I do not see France as a crisis country. Like Germany, France is a heavyweight in Europe and therefore bears a particular degree of responsibility in the European context. It thus has a role in setting an example of adherence to European agreements and procedures.

Italy must be a much bigger worry for you. Reformer Mario Monti has been voted out, and there is a great deal of political uncertainty. Does it still make sense for the European Central Bank to continue pumping billions into the country?

If key political figures in Italy talk about reversing the reforms or even exiting the monetary union, and yields on Italian government bonds rise as a result, this cannot and must not be a reason for central bank intervention. Ultimately, it is a matter of a country's politicians upholding confidence in the sustainability of its public finances.

In other words, if Italy and its politicians play with fire, they will have to bear the consequences?

To ensure that the monetary union remains a stability union, a key principle was enshrined in the treaties: that each country has responsibility for itself. It is up to the electorate and the government to decide on the direction of national policy, and it is they who must bear the consequences, and not depend on others to bear them. For this reason, extensive mutualised liability and financing by the central bank are prohibited by treaty.

But even the Free Democratic Party parliamentary leader, Rainer Brüderle, is talking openly about the prospect of Italy having to exit the euro.

I have no part in that discussion, nor do I think it is helpful – and the same applies to the comments made in Italy in this respect.

Many European politicians are currently pressing for more crisis assistance from the European Central Bank. How great a danger does this constant political pressure pose to your independence?

This trend towards political influence is not restricted to the euro area. It is a global phenomenon. The central banks have taken on fire-fighting tasks in the crisis and in the process have also blurred the boundary between monetary policy and government fiscal policy. This poses a risk to central bank independence. There is the danger of a loss of confidence in the central banks maintaining their focus on stability.

Many heads of government are expressly calling on you as central bankers to do more and more so that it will be you fighting the fire, not the politicians.

That is indeed the case, and it is not new. But it is far from being right. It was precisely for this reason that, when the monetary union was created, the central bank was established as an independent institution with a clear price stability mandate. One simple reason why calling for central bank action is an easy route to take is that it allows the complex process of political agreement to be avoided. However, some decisions simply have to be made by the politicians, ie in parliament. If the central banks turn into troubleshooters for the politicians, they risk losing sight of their objective, which is to keep prices stable.

What has the euro crisis cost Germany so far? And what billion-euro risks are still on the books?

It is not currently about cost, but about the high level of risk which has been taken on board – partly through direct fiscal assistance, partly through monetary policy measures such as the purchase of government bonds. Ultimately, European taxpayers, and thus German taxpayers as well, are liable for these risks.

The Bundesbank has so far actually earned billions in interest on many of those Greek, Spanish and Italian government bonds.

That is true. But this interest income is only so high because the risks we have assumed are also so large. High returns generally go hand in hand with a high level of risk. That applies equally to government bonds on our balance sheet.

The Bundesbank isn't a hedge fund, is it?

No. Nor is it the task of a central bank to generate profits or to engage in particularly risky transactions with a view to the potential earnings. Our job is to safeguard monetary stability. Having a higher level of risk on its balance sheet is clearly unavoidable for a central bank in a crisis. Nonetheless, we are opposed to any extensive mutualisation of sovereign and financial system solvency risks via our balance sheet. This risks overstressing our mandate.

Should Germany do more to help weak euro-area countries? For instance, by increasing wages and exporting less – as called for by some politicians and experts generally to the left?

This approach will not resolve the problems and in the end will help no one. The Bundesbank has carried out model calculations on this. The result of our calculations was that, if Germany reduces its competitiveness vis-à-vis other euro-area countries – for instance, by allowing wages to rise faster than productivity – then there is a

danger that, while output and employment fall in Germany, no positive effect will be registered in the crisis-hit countries. Europe is not an island. The euro area needs to become more competitive as a whole within the global marketplace.

Nonetheless, in Germany, too, there are increasing calls for significant wage increases ...

German employers and trade unions have acted very responsibly in recent years. That has definitely helped to keep our unemployment low. I assume that this course will continue to be pursued. However, with strong employment figures and a favourable macroeconomic picture, in the near future wages in Germany will most likely rise to a greater extent than in most other euro-area countries.

Even if Germany is doing well – at the moment. How urgently do we need a new reform offensive – an “Agenda 2020”?

We should take care at all events not to make the mistake of becoming complacent and jeopardising what has already been achieved. Germany is still facing major challenges. One of the biggest is the ageing population. It is therefore important that we ensure our social insurance systems and labour market are properly equipped for this in good time.

Is the government listening to you on this? Or would you like more backup?

I believe that my voice is heard, as President of the Bundesbank. Whether the advice of the Bundesbank is always taken to heart is another question. However, politicians have to make these decisions at the end of the day, and rightly so.

We will continue to try to persuade people with our arguments. And my impression is that our policy focus on stability enjoys broad support with the German public.

No wonder, as people ultimately have to ask what danger the euro crisis poses to their savings, do they not?

We take these concerns very seriously. The interest to be earned on very safe financial investments is currently somewhat lower than the rate of inflation. However, that is not a normal state of affairs, it is a consequence of the crisis. Interest rates will return to normal after the crisis comes to an end. We, as the central bank, continue to have the task of keeping prices stable and thus also ensuring that inflation does not eat away at people's savings.

Lots of politicians take a different view. They would prefer to alleviate the crisis and the debts by way of higher inflation.

There are indeed some who see a solution to the crisis in the shape of higher inflation. I would regard such an approach as potentially incendiary. Once you allow inflation, it becomes very difficult to tame. In the short term, our projections show no excessive increase in prices. However, I would caution against underestimating the medium to long-term risks to stability. There must be no doubt that, when the time is right, we will tighten monetary policy.

Is fear of inflation already driving too many people into buying shares and property? Is there a danger here of speculative bubbles?

There is no doubt that the low-interest rate environment and uncertainty about future prospects are having an effect on many people's investment decisions. However, I do not see any speculative bubbles at the moment in Germany. Share prices need to be evaluated in the context of enterprises' earnings expectations. Rising prices on the property market do not become problematic unless a huge increase in mortgage lending further fuels the demand for property. We do not see this at the moment. However, in future the Bundesbank will collect more data on critical sub-markets – for instance, on property prices in the major urban centres. You can rest assured that we will be watching developments very closely indeed.

A lot of people outside Germany regard our fears of inflation as irrational or even hysterical. Are they?

It is anything but irrationality or German crankiness. At the European Central Bank we agreed on a clear definition of price stability: for us, price stability means an inflation rate of below, but close to, two per cent over the medium term. After the high inflation rates in the 1970s and 1980s, ever more countries have come to recognise that price stability does not hamper economic growth but fosters it.

Your single-minded approach has engendered what almost amounts to a campaign against you outside Germany: it is said you are isolated at the European Central Bank. And US President Barack Obama is even supposed to have asked contemptuously, “Who is this?”. How much has this affected you?

There is certainly no shame in having the US President respond to my positions. In fact, it demonstrates that our arguments are discussed and the Bundesbank is taken seriously. *The euro area is still stuck in a crisis and we are struggling to find the right answers.* The Bundesbank advocates a stability-oriented position and regards it as an error to overload monetary policy by expecting it to fulfil too many tasks.

Does Germany speak with one voice at the ECB, or would you like more backup from the German Member of the Governing Council Jörg Asmussen?

It would be a misunderstanding to assume that the ECB is about national interests – German, French, or any others. We are tasked with operating monetary policy for the euro area as a whole. It would be a dangerous development to distinguish between specific German, French or other interests in this. It is precisely for this reason that I have called for a clear separation of European monetary policy from the tasks of national economic and fiscal policy. If we do not respect this separation, then the issue of representing national interests does actually arise.

Does Germany’s strength and economic success make negotiating more difficult for you?

Even if Germany has come through the economic crisis better than many others, it would be a mistake to take an arrogant or presumptuous attitude. However, Germany is an example of how structural reforms ultimately pay off.

To what extent have you benefited from working closely with Federal Chancellor Angela Merkel for many years?

It certainly *does no harm to be familiar with how politics works in Berlin.* I learnt a lot from working with the Chancellor and found it personally rewarding. However, as President of the Bundesbank, I have a totally different job to the one I had in the Chancellery.

How close is the contact between you now?

The *Federal Chancellor and the President of the Bundesbank are connected through various formal channels.* For instance, I attend Cabinet meetings when the Federal budget is being discussed. And I advise the Chancellor in matters of monetary policy. We have an intensive exchange of ideas.

You are talking about discussion between the President of the Bundesbank and the Federal Chancellor. But how closely do Angela Merkel and Jens Weidmann communicate as people?

We have a personal relationship built on trust. That makes it easier to discuss delicate topics, too, even if one’s opinions sometimes differ.

Schuldenkrise

Zyprischer Zorn

23.03.2013 · Die griechischen Zyprioten haben alles dafür getan, ihren Finanzplatz zugrunde zu richten. Es ist deshalb gleichgültig, was sie noch alles beschließen.

Von [Thomas Gutschker](#)

74,43

Die Griechen haben die Demokratie erfunden, aber nicht alle hielten sie für den größten Coup der Menschheit. Einer zum Beispiel nannte sie eine Staatsform, in der nicht die Gesetze herrschen, sondern Volksverführer. Der Mann hieß Aristoteles und lebte vor zweieinhalbtausend Jahren, hätte diese Woche aber viel Anschauungsmaterial für seine These finden können - nämlich bei den griechischen Nachfahren auf Zypern.

Die führten dem Rest Europas vor, dass ihnen Gesetze und eine gewisse Berechenbarkeit, die es im Geschäft zwischen Staaten braucht, herzlich gleichgültig sind. Nur zur Erinnerung: Nicht ein Abgeordneter der Regierungsparteien stimmte im Parlament für die Zusagen, die der Finanzminister seinen Kollegen aus der Eurogruppe gegeben hatte. Angeblich aus Solidarität mit „Kleinsparern“. Dieselben Abgeordneten hatten aber keine Hemmungen, nur 24 Stunden später staatliche Renten aufs Spiel zu setzen.

Chaoswoche

Was also bleibt von dieser Chaoswoche in Nikosia? Die griechischen Zyprioten haben alles, aber auch wirklich alles dafür getan, ihren Finanzplatz zugrunde zu richten. Es ist deshalb gleichgültig, was sie noch alles beschließen. Jeder Anleger, der halbwegs bei Trost ist, wird Reißaus nehmen - und daran werden ihn Kapitalverkehrskontrollen nur kurzfristig hindern können. Russen, Ukrainer und wer sonst alles sein Geld auf die Insel brachte: Sie suchten neben hohen Zinsen und lascher Aufsicht rechtsstaatliche Sicherheit, die es in ihren Ländern nicht gibt. Was für eine Illusion.

Dass den Zyprioten langsam bewusst wird, was sie angerichtet haben, kann man an den jüngsten Wendungen sehen. Anfang der Woche wollten sie die ausländischen „Großsparer“ nicht vergrämen. Nun geht es nur noch ums Abkassieren. Bei der Laiki Bank werden alle Einlagen jenseits von 100.000 Euro eingefroren. Davon dürften die Kunden nach der Umstrukturierung nur einen Bruchteil wiedersehen, in vielen Jahren. Bei der Bank of Cyprus war eine Zwangsabgabe von 25 Prozent im Gespräch - die Eurogruppe hatte nur 10 Prozent verlangt. So ist das, wenn nicht das Gesetz regiert - altmodisch: die Vernunft -, sondern der Volkszorn.

Euro-Krise

Was ist, wenn Zypern kentert?

23.03.2013 · Eine kleine Insel im östlichen Mittelmeer bringt Europa in große Nöte. Ließe Europa sie kentern, wäre das für die Zyprioten böse. Würde eine Pleite auch böse Folgen für die Euroländer auslösen?

Von [Rainer Hank](#) und [Christian Siedenbiedel](#)

74,44



© Getty Images Ließe man Zypern kentern, wären die Banken pleite und der Staat auch

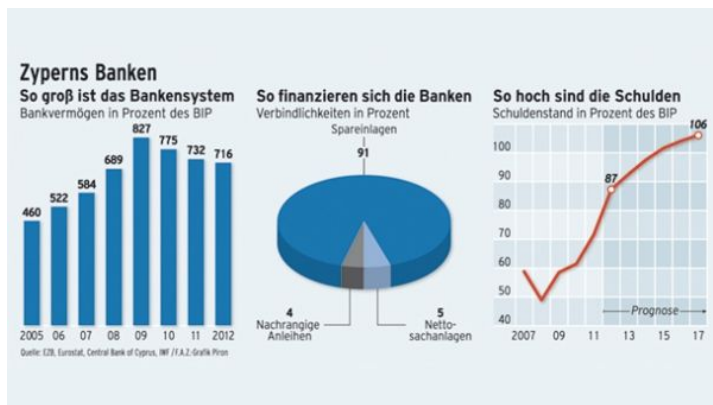
Die Lage auf Zypern ist dramatisch. Nur noch bis zum morgigen Montag will die Europäische Zentralbank (EZB) die Kreditinstitute der Insel mit Überbrückungsgeld am Leben halten. Sollte nach monatelangen Verhandlungen auf den letzten Metern ein „Rettungsprogramm“ nicht gelingen, droht der Zusammenbruch des Bankensystems - und womöglich der Staatsbankrott.

„Die Geldeinlagen aller Menschen wären weg; Tausende Menschen würden ihren Arbeitsplatz verlieren“, fürchtet Andreas Artemis, der Chef der größten zyprischen Bank „Bank of Cyprus“. Niemand weiß, ob die Zyprioten ihre Banken stürmen, sobald die Schalter wieder geöffnet sind. Um zu verhindern, dass das passiert oder Ersparnisse ins Ausland gebracht werden, soll der Geldverkehr eingeschränkt werden - eine bislang im Euroraum einmalige Zwangsaktion.

Eine Woche Europa-Chaos vom Feinsten seit dem vergangenen Wochenende hat all jene irritiert, die meinten, die Euro-Krise sei vorbei. Wenn schon ein so winziges Mitglied des Euroraumes solch gefährlichen Wirbel macht, kann das Rettende noch nicht nahe sein. Der Euro sei als Manifestation eines großen politischen Projekts gestartet, spottet der britische „Economist“: „Heute fühlt er sich an wie eine zerrüttete Ehe, wo die Partner nur noch durch die hohen Scheidungskosten zusammengehalten werden.“

Die Verschuldung Zyperns erlaubt keine größeren Kredite

Faul auf der Mittelmeerinsel sind vor allem die Banken. Jahrelang wurden sie künstlich aufgebläht, bis das Geldgeschäft zum blühenden, aber nicht ganz koscheren Geschäftsmodell des kleinen Staates wurde; Anleger (mindestens 30 Milliarden Euro sollen von reichen Russen stammen) hat man mit hohen Zinsen in das Steuerparadies gelockt. Am Ende betrugen die Einlagen der Kunden (40 Prozent aus dem hauptsächlich nicht europäischen Ausland) 700 Prozent des Bruttoinlandsprodukts (in Deutschland sind es gerade 300 Prozent).



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Ins Trudeln kamen die Banken durch den griechischen Schuldenschnitt, bei dem sie vier Milliarden Euro abschreiben mussten. Darin ist die Zypern-Krise mit Irland, Island oder mit Spanien vergleichbar, wo ebenfalls die Banken sich mit Krediten verspekuliert haben. Sobald die Staaten anfangen, ihre Banken zu stützen, wurde aus der Finanzkrise eine Staatsschuldenkrise.

Zehn Milliarden Euro an Krediten, auszuzahlen über den ESM, hatten die Euroländer (zusammen mit Internationalem Währungsfonds und EZB) in der Nacht zum vergangenen Samstag dem Land in Aussicht gestellt, allerdings nur, wenn Zypern selbst einen Eigenbeitrag von sieben Milliarden Euro aufbringt. 5,8 Milliarden davon sollte sich der zyprische Staat in einer Art Zwangssteuer von den Konten der Bankkunden holen, wobei Sparer bis 100.000 Euro 6,75 Prozent, alle anderen mit 9,9 Prozent belangt werden sollten.

Weitere Artikel

- [Zypern und Troika kommen in Verhandlungen voran](#)
- [Kommentar: Zyprischer Zorn](#)
- [Stimmen aus Zypern: Was hier passiert, ist irrsinnig](#)
- [Reicht die neue Zwangsabgabe?](#)
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Dass zu diesem drakonischen und in der bisherigen Rettungspraxis unüblichen Mittel gegriffen wurde, hat nicht nur erzieherische Gründe, sondern ist schlicht dem Umstand geschuldet, dass bei noch größeren Krediten durch den ESM die Verschuldung Zyperns bald auf 200 Prozent des BIP geschossen wäre - eine Last, die das Land nie und nimmer begleichen könnte.

Die Chaoswoche hat den Skeptikern Munition verschafft

Die Wut war groß, als plötzlich Kleinsparer entdeckten, dass auch sie kreditgebende Gläubiger ihrer Banken sind, wo sie doch meinten, ihr Geld sei sicher in den Tresoren aufbewahrt und von der Einlagensicherung vor Konfiszierung geschützt. Doch die zyprische Regierung nahm den Rechtsbruch in Kauf, weil sie fürchtete, ihre wohlhabende Kundschaft zu vertreiben, wenn andernfalls nur Großvermögen mit Abschlägen von 15 Prozent oder mehr geschröpft würden.

Als Mitte der Woche das Chaos perfekt war, haben die Zyperer alle Zusagen kassiert und mutig vor dem alsbaldigen Untergang die Augen verschlossen. Dass ein Plan B, mit heißer Nadel eilig gestrickt, von den Rettungseuropäern sogleich als kuriose Mogelpackung entlarvt wurde, war abzusehen: Denn statt in bar zu bezahlen, wollen sie sich neue Kredite beschaffen, deren Rückzahlung in den Sternen steht. Womöglich - soweit am Samstag zu erkennen - willigt man jetzt doch ein in die Abgabe auf Bankguthaben (dann jedoch bis zu 25 Prozent), um in letzter Sekunde an die rettenden Fleischtopfe zu kommen.

Die Chaoswoche hat jenen Skeptikern Munition verschafft, die dafür plädieren, Zypern bankrott und seinen eigenen Weg gehen zu lassen. Warum müssen die Bürger der Euroländer das faule Geschäftsmodell einer Winzinsel retten? Ihre Notlage ist hausgemacht, weder von bösen Ratingagenturen noch von verrückten Finanzmärkten ausgelöst. Eine Insel, 225 Kilometer lang und 90 Kilometer breit, die so viel Einwohner hat wie Köln, macht ganz Europa nervös und soll „systemrelevant“ sein. Die als notorisch hypernervös geltenden

Kapitalmärkte (der Euro eingeschlossen) haben bemerkenswert gelassen reagiert. Ist dies ein Zeichen, dass aus Zypern kein Virus auf den Rest der Eurozone überspringen wird? Als ökonomisches Schwergewicht ist Zypern bislang eher nicht aufgefallen. „Die europäische Politik hat sich mit dem Gerede von einer Systemrelevanz in eine Sackgasse manövriert“, schimpft Jürgen Stark, ehemals Chefvolkswirt der EZB.

Ist eine indirekte Ansteckung ein realistisches Szenario?

Selbst das überdimensionierte Bankensystem taugt, anders als noch im Fall Irland, nicht für ein Katastrophenszenario. Zwar sind Zyperns Banken gewaltig - im Vergleich zur Wirtschaftsleistung der Insel. Aber sie sind winzig - im Verhältnis zum Finanzsystem Europas. „Ausländische Banken haben gegenüber Zypern lediglich Forderungen in Höhe von gut 50 Milliarden Euro“, sagt Commerzbank-Chefvolkswirt Jörg Krämer. Das würde das System verkraften. Denn Zyperns Banken finanzieren sich vor allem aus den Spareinlagen, deren Verlust keine Auswirkung auf andere hat.

Filialen zyprischer Banken in Griechenland mit Einlagen von rund 14 Milliarden Euro wurden in der Nacht zum Freitag eilends von griechischen Banken übernommen. Damit wurde an der verwundbarsten Stelle eine Ansteckung verhindert. Der Rest ist beherrschbar: „Die Eurozone ist deutlich besser aufgestellt als vor drei Jahren und könnte mit zusätzlichen Maßnahmen für die anderen Staaten die Lage in den Griff bekommen“, heißt es zur Beruhigung aus Kreisen der deutschen Regierung.

Anhänger der Rettungspolitik in den Euroländern lassen sich nicht so schnell beruhigen. Mag sein, dass von Zypern keine direkte Ansteckungsgefahr auf andere Banken ausgeht. Aber wird eine Pleite womöglich auf indirektem Wege böse Folgen auslösen? Wenn das Vermögen von Sparern - Kleinen oder Großen - konfisziert wird, könnten Bürger in größeren Krisenländern wännen, auch ihr Geld sei vor Enteignung nicht geschützt, sollte das Land Hilfe aus den europäischen Fördertöpfen brauchen. Ist diese indirekte Ansteckung ein realistisches Szenario? Das wird man erst im Nachhinein wissen. Die vergangene Woche der Zypern-Krise gibt indessen eher Entwarnung. Zwar gab es wie bei jeder neuen Zuspitzung der Euro-Krise Sparer, die Geld in die Schweiz schafften. Und die große amerikanische Fondsgesellschaft Pimco (ein Tochterunternehmen der Allianz) kündigte an, ihr Europa-Engagement zurückfahren zu wollen. Aber Panik, ein Sturm auf die Geldautomaten außerhalb Zyperns blieb aus. „Vor der Bank gegenüber meinem Büro gibt es keine Schlangen“, kommentierte Ökonom Hans-Joachim Voth in Barcelona. Spanien konnte sich sogar billiger Geld leihen als jemals seit Beginn der Euro-Krise. Und der Dax schien sich zumindest nicht entscheiden zu können, ob er steigen oder fallen sollte.

Die Zyperer könnten nach Argentinien blicken

Keine Frage: Ließe Europa die Inseln kentern, wäre das für die Zyperer böse. Die Banken wären pleite, der Staat auch. Wahrscheinlich könnte er noch nicht einmal die Versicherung für die Spareinlagen auszahlen. Von der EZB käme kein frisches Geld. Eine Zeitlang reicht das Bargeld, irgendwann aber können etwa Fluglinien ihr Kerosin nicht mehr bezahlen. Die Regierung würde Schuldscheine ausgeben, die zu einer Art Parallelwährung werden. Womöglich bilden sich Ersatzwährungen - wie die Zigaretten in der Nachkriegszeit. Schritt für Schritt würde Zypern den Euro verlassen.

Die Insolvenz Zyperns würde durch einen Euro-Austritt zwar nicht gelöst, meint Bernd Lucke, Wirtschaftsprofessor und Mitbegründer der Anti-Euro-Partei „Alternative für Deutschland“. „Aber wenn man jetzt in Zypern aufräumt, dann kann man auch gleich eine nationale Währung einführen, um die Wettbewerbsprobleme zu lösen.“

Ohne den Euro könnte Zypern seine Währung abwerten - das müsste die Wirtschaft ankurbeln. Zwar hat Zypern wenig Exportgüter. Und das alte Geschäftsmodell als Offshore-Bankenplatz ist dahin. Doch selbst die Ausfuhr von Rohstoffen wie Gas und der Ersatz von Einfuhren durch eigene Produkte gelingt besser, wenn die Währung abwerten kann. Die Zyperer könnten nach Argentinien blicken: Als das Land vor elf Jahren seinen Peso vom Dollar löste, folgten drei heftige Monate. Nach einem Jahr aber stabilisierte sich die Situation.

Quelle: F.A.S.

Le public part toujours plus tôt à la retraite que le privé

Par [lefigaro.fr](http://www.lefigaro.fr) Publié le 23/03/2013 à 16:56 [Réactions](#) (141)

74,47



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Selon un rapport du Conseil d'orientation des retraites dont *Le Monde* a publié les conclusions ce samedi, les inégalités perdurent entre agents du public et salariés du privé en matière de retraites.

Les inégalités entre les régimes de retraite du secteur public et du secteur privé perdurent malgré les réformes. C'est le constat que dresse le Conseil d'orientation des retraites (COR) dans un rapport dont *Le Monde* [a publié les conclusions samedi](#). Les salariés du secteur privé partent en effet toujours plus tard, en moyenne, que les agents du public.

En 2011, l'âge effectif moyen de départ à la retraite était de 61,9 ans pour les salariés du privé. Dans le secteur public, ce sont les agents de **la RATP et de la SNCF**, dont les régimes spéciaux ont pourtant été réformés en 2007 et en 2011, qui partent le plus tôt, respectivement à **55,1 ans et 54,4 ans**. Un âge «relativement bas du fait de l'existence de catégories actives dont l'âge d'ouverture actuel est de 50 ou 55 ans», précise le rapport cité par *Le Monde*. En septembre, la Cour des comptes a pointé le fait que les réformes mises en œuvre **ne suffisent pas encore** à équilibrer ces deux régimes structurellement déficitaires.

L'âge de départ recule dans le public

Dans la Fonction publique d'État, l'âge moyen de départ à la retraite était de 57,1 ans en 2010 mais 61 ans pour les fonctionnaires «sédentaires», presque le même âge que les salariés du privé. Cet écart s'explique par le fait que les militaires sont autorisés à partir plus tôt à la retraite. **Dans la Fonction publique territoriale et hospitalière, les départs ont eu lieu en moyenne à 58,4 ans. Nombre d'agents bénéficiaient notamment - mais n'en bénéficient plus aujourd'hui- de la possibilité de partir plus tôt s'ils étaient parents de trois enfants et justifiaient de 15 ans de service.**

Selon le COR, l'arrêt de ce dispositif devrait faire reculer l'âge moyen de départ à la retraite dans le public. Les agents de la Fonction publique territoriale et hospitalière sont partis à la retraite à 60,2 ans en moyenne en 2012, selon des chiffres non encore définitifs. Et en 2025, l'âge de départ devrait grimper à 62,4 ans dans la Fonction publique territoriale et hospitalière, et à 58,7 ans dans la Fonction publique d'Etat. A cette date, l'âge moyen de départ aura cependant aussi reculé dans le privé, sous l'effet de la dernière réforme des retraites. Ces prévisions ne tenant pas compte de la réforme des retraites qu'a annoncé le gouvernement.

March 23, 2013

Russian Ties Put Cyprus Banking Crisis on East-West Fault Line

By [ANDREW HIGGINS](#)

74,48

LIMASSOL, Cyprus — Andreas Marangos, a Porsche-driving lawyer here, had just woken up when he heard the news that threatened to destroy his and Cyprus's most lucrative business: setting up shell companies and providing financial services for wealthy Russians.

He rushed to his computer to check whether the “crazy talk” he had just heard was true — that his government had agreed last week to effectively confiscate 9.9 percent of the wealth of anyone holding more than 100,000 euros, about \$129,000, in a Cyprus bank.

A week later, this Mediterranean island nation is still trying to figure out how to raise the \$7.5 billion European lenders say it must have by Monday in return for a bailout. Late Saturday, the tentative plan was to seize a portion of all deposits above 100,000 euros, with the bite set at 20 percent for those banking with Cyprus's biggest bank.

For Mr. Marangos, either plan is bad news.

“Since last Saturday, we are just answering calls from angry clients,” said the lawyer, whose firm has helped Russians and Ukrainians set up 6,000 companies in Cyprus so that they can avoid taxes, benefit from a sound legal system and, they hoped, keep their money safe. Cyprus still offers those draws, he insisted, but his clients “thought we had betrayed them.”

Accusations of treachery, mostly aimed by poorer nations at Germany for demanding budget cuts and other painful steps in return for help, have become a regular feature of Europe's three-year-old [debt crisis](#). But what began in Cyprus as just another episode in a now-familiar narrative of stingy, rich Northern Europeans versus put-upon, poor southerners has escalated into a bigger drama tinged with cold war-style language and strategic calculations involving not just money but also energy and even military power.

Cyprus had been haggling with Europe for months over a bailout deal to rescue its bloated banks. Last week, the initial plan to seize money from even modest bank depositors sent swarms of panicked residents to automated teller machines to try to withdraw their money. But the crisis involves more than financial considerations.

“There is a geopolitical game going on behind all this,” Mr. Marangos said.

With just 860,000 people and a gross domestic product of only \$23 billion, the Republic of Cyprus makes an unlikely strategic prize. But it sits atop a web of overlapping and potentially volatile fault lines — between East and West, the European Union and [Russia](#), and Greece and Turkey, whose troops occupy the northern part of the island. It also has natural gas in the waters off its coast toward Israel. Nobody knows for sure yet how much — that may become clearer later this year when Houston-based Noble Energy carries out a new round of exploratory drilling.

But just the possibility of significant reserves has raised hope in Brussels, and fear in Moscow, that Cyprus could help break the European Union's dependence on Russian-supplied gas.

“There is a clear danger of this area becoming a platform for confrontation between East and West,” said Harry Tzimitras, director of [PRIO Cyprus Centre](#), a research center in the capital, Nicosia.

Cyprus has until now frozen out Russian interests from offshore gas concessions, snubbing a low bid by Novatek, a Russian company whose directors include Gennady Timchenko, a wealthy [oil](#) trader and judo club acquaintance of President Vladimir V. Putin's. In talks last week in Moscow over a possible loan to Cyprus, Russia made clear that it expected a piece of the gas pie for its own companies, according to Cypriot officials and politicians.

In Russia's view, Cyprus, which already has two British military bases, a legacy of the country's colonial past, would also be an ideal place to set up a small naval installation should the Kremlin lose access to Tartus, a Syrian port that risks being swamped by that nation's civil war.

The Moscow talks yielded no deal and dashed hopes that Russia might ride to the rescue. But many Cypriots still view Russia as a useful counterweight to bullying by Brussels. "We are not a Trojan horse for Russia in Europe, but we are trying to protect our interests like everyone does," said Petros Zarounas, a diplomatic adviser to the Democratic Party, part of the governing coalition.

According to a recent opinion poll by Cyprus's Sigma television, the public mood has turned decisively against Europe and toward Russia. More than two-thirds of those surveyed agreed that Cyprus should drop the euro and move closer to Russia because of the "behavior of our European partners." Protesters outside Parliament last week waved banners cursing the European Union and Chancellor Angela Merkel of Germany.

With Cyprus's banks closed for more than a week now, fear-driven rumors of secret deals and big power politics have become the main coin of the realm.

As a team of European Union experts set up camp in Nicosia to try to figure out how to resuscitate the bailout package announced in Brussels on March 16 and declared dead on arrival by the Cypriot Parliament, a Russian-language radio station here led its news bulletins with reports of a "direct strike against Russia's position" in the Mediterranean by Secretary of State John Kerry.

The report, on Russian Wave radio, said that Mr. Kerry had telephoned Cyprus's finance minister and told him Washington was ready to help out, as long as Cyprus guaranteed a bigger role for the United States in gas concessions and raised the levy on large foreign depositors, many of them Russians, to 15 percent.

American officials said they knew of no such call by Mr. Kerry, and the radio station's news anchor, Nedezhda Braun, acknowledged that her report might not be true. No matter, she said. Russians here were desperate for information about a crisis that has hit their community hard.

There are more than 50,000 Russian speakers from across the former Soviet Union living in Cyprus, according to the Association of Russian Businessmen in Cyprus. Many live in Limassol, or Limassolgrad, as some now call it. The city has two Russian-language newspapers, dozens of shops selling Russian products and a memorial to Russia's national poet, Alexander Pushkin.

A host of Russian plutocrats have registered shell companies here and some have bought villas, but most fly in for short trips to consult with lawyers and bankers.

A few have even invested in real businesses. Dmitry Rybolovlev, a fertilizer billionaire, is one of the largest shareholders in the troubled Bank of Cyprus. One proposal said to have been under consideration last week in Moscow would have involved Mr. Rybolovlev's increasing his stake and other Russian investors taking over the Popular Bank of Cyprus, an institution that the Cypriot government has since decided to effectively shut down.

The majority of the Russians who live here full time are of modest means, and they resent a widespread view of Cyprus as a haven for Russian crooks and dirty rubles. This view, encouraged by a leaked report from Germany's foreign intelligence agency, underpins much of the resistance in Berlin and other European capitals to any bailout for Cyprus that does not squeeze wealthy foreigners.

“We are not criminals, arms dealers or bootleggers,” said Sergey Ivanov, a Russian who runs a wine business here. “There is a generation of Russian businessmen like me who have lost faith in the Russian government, in Russian banks and in Russian laws. That is why we are in Cyprus.” He said he was now wondering whether he should go home.

Others have already decided to call it quits, including Alexey Voloboev, who owns Russian Wave radio as well as a Russian restaurant and stakes in other Cypriot businesses. He is so angry with the proposed confiscation of depositors’ money and the damage this threat has done to business confidence that he now wants to sell and move to London.

“I knew it would be bad, but never expected it to be this bad,” he said. “I thought banks might go bankrupt, but not the whole country.”

To avoid that fate, Cyprus has until Monday to reach a new deal with its lenders: the European Commission, the European Central Bank and the International Monetary Fund. The European bank has threatened to cut off vital short-term financing to Cyprus’s wobbly banks if no agreement is reached, an action that would upend the country’s biggest and already effectively insolvent banks and risk pushing the country toward default.

“This is all a dirty game to create a banking collapse,” fumed Yuri Pianykh of the Russian business association — aimed, he contends, at luring Russian money out of Cyprus to other European countries. He insisted the country had better safeguards to combat money laundering than many other European states and had been the victim of a German smear campaign.

David Officer, a sociologist at the University of Nicosia, said Cyprus had indeed enacted tough legislation to fight dirty money, “but the problem is implementation.” He said that “a culture of secrecy” allows billions of dollars from abroad to slosh through the financial services and real estate industries with little supervision.

The dangers this creates are illustrated by the case of Sergei Magnitsky, a Moscow lawyer who was arrested after he helped expose how corrupt Russian officials had stolen \$230 million in taxes paid by Hermitage Capital, an investment company formerly based in Moscow. After Mr. Magnitsky died in prison in 2009, Bill Browder, Hermitage’s American-born founder, tracked \$31 million of the stolen money to various bank accounts in Cyprus.

Any dirty money flowing through Cyprus, however, is dwarfed by funds generated by legitimate businesses looking for easy and legal ways to avoid taxes. There are so many Russian companies registered in Cyprus for tax reasons that the tiny country now ranks as Russia’s biggest source of direct foreign investment, most of it from Russian nationals through vehicles registered in Cyprus.

While wealthier European countries object to practices that allow companies to sell their goods in one nation and book their profits in low-tax havens like Cyprus, Mr. Marangos, the lawyer, sees no reason for Cyprus to give up its financial service industry when its other best asset is sunny weather.

“We want to keep this industry,” he said. “Otherwise we will be selling ice cream and laying out sun beds.”

David M. Herszenhorn contributed reporting from Moscow, and Dimitris Bounias from Nicosia, Cyprus.

"Alternative für Deutschland"

Wer ist der Anti-Euro-Professor Bernd Lucke?

24.03.2013 · Bernd Lucke ist ein Professor für Volkswirtschaftslehre. Er will den Euro abschaffen - und so Europa retten. Und er ist kein Populist. Porträt eines Parteigründers.

Von [Winand von Petersdorff](#)

74,51



Bernd Lucke, Professor und Parteigründer

Die politische Karriere des ehrenwerten Verfassungsrechtlers und Professors aus Heidelberg, Paul Kirchhof, war beendet, nachdem ihn die Wahlkampfmaschine Gerhard Schröder einmal durchgenudelt hatte.

Bernd Lucke ist ein Professor aus Hamburg und denkt im Moment, er hat noch eine politische Karriere vor sich. Da können ihn die Demoskopien nicht abschrecken, die haben schließlich schon ganz andere ins Nichts prophezeit. Und die politischen Gegner vermögen es schon gar nicht, den jungenhaften Mann mit seinen gut versteckten 50 Lenzen zu entmutigen.

Lucke hat mit anderen Konservativen eine Partei gegründet, die den Euro abschaffen und die Demokratie stärken will. Sie heißt „[Alternative für Deutschland](#)“, und ihr Auftreten hat einen rechten Wirbel ausgelöst, eine Welle der Zustimmung, die die junge Organisation überfordert. Das gibt Lucke zu. Es ist natürlich schön, von einer solchen Welle getragen zu werden. Gleichzeitig ist die Ruhe erst einmal dahin. Er fühlt sich unter Daueranspannung, seine Mails schreibt er nachts um halb zwei.

Die neue Partei pflegt in ihrer Eurogegnerschaft eine Haltung, die sich gegen die im Bundestag vertretenen Parteien wendet, weniger gegen das Volk. Eine Provokation bleibt sie also, weshalb Edmund Stoiber, die alte CSU-Rampensau, und das ist jetzt höchst respektvoll gemeint, schon einmal vorgefühlt hat: Funktioniert die gute alte Professoren-Zerlegung eigentlich noch?

Professoren wirken arrogant, wenn sie reden

Das war in dieser Woche in Anne Wills Talkshow, als er Lucke mit den Worten „Schon wieder so ein Professor“ so schnell unterbrach, dass der eher kleine Mann aus Winsen an der Luhe sogar ein bisschen sauer wurde. Stoiber observierte nach seiner Verbalinjurie lauernd die Zuschauer, sein gesamtes durch ein langes Politiker-Dasein geschärftes Sensorium war auf Empfang gestellt: Hat die Frechheit gewirkt? Die Reaktion der Leute dürfte aus seiner Sicht enttäuschend lahm gewesen sein.



© REUTERS In einem hat Bernd Lucke schon einmal Recht: Der Euro schafft es derzeit nicht, die europäische Freundschaft zu vertiefen

Aber mit seiner Spontan-Analyse hat Stoiber natürlich recht: **Lucke ist in der Tat ein Professor. Das ist eine echte Gefahr im politischen Geschäft für den Professor selbst, zumindest eine Bürde auf dem Weg zum Wahlerfolg. Die liegt darin, dass Professoren zu denken neigen, es geht in der Politik um die Sache, was wirklich nur am Rande stimmt.** Wegen dieser Vorstellung sagen die Professoren gerne wohl geordnet schöne klare Argumente auf. Vorm geistigen Auge sieht man die Spiegelstriche. **Sie sind stets sehr überzeugt von dem, was sie sagen. Das hört man heraus. Und das wirkt arrogant. Dabei reden sie, wie sie reden, weil sie lange darüber nachgedacht haben. Das Brüten ist nämlich ihr Kerngeschäft.**

Anders als Politiker tasten sich die Wissenschaftler nicht vor, ihren Reden ist kein Zweifel anzumerken, manchmal spürt man ihre Verwunderung, wenn ihnen jemand mit Argumenten zu kontern wagt, die im Seminar nicht satisfaktionsfähig wären, in der Wahlkampfarena jedoch freudige Zustimmung provozieren.

Wie schaffen die das?

Lucke hat dieses Professorale, was niemand verwundern muss. Die akademische Sozialisation kann man nirgendwo abgeben. Unter dem Eindruck der ersten Finanzkrise hatte Lucke ein „**Plenum der Ökonomen**“, **eine Art elektronische Vollversammlung, ins Leben gerufen mit mehr als 300 VWL-Professoren. Das Plenum sprach sich im Februar 2011 mit sehr großer Mehrheit gegen eine Verlängerung des EU-Rettungsschirms aus.** Keiner hat auf den geballten Sachverstand gehört. Lucke klingt fast ein bisschen empört, wenn er das erzählt. Vielleicht ist es auch bloß die Verwunderung des Gelehrten, wenn sich das Richtige nicht Bahn bricht.

Lucke ist ein waschechter Akademiker. Er hat mit einem Stipendium der Studienstiftung des Deutschen Volkes Volkswirtschaft, Philosophie und Neuere Geschichte in Bonn studiert, zwischendurch Ökonomie in Berkeley. **Seit 1998 ist er Professor für Volkswirtschaftslehre an der Universität Hamburg und Geschäftsführender Direktor des Instituts für Wachstum und Konjunktur. Er hat die Weltbank beraten, in Amerika als Gastprofessor und Forscher gearbeitet, bei der OECD Paper geschrieben.**

Daheim wird der Mann auch nicht zwangsläufig mit durchschnittlicher Intelligenz behelligt. Denn seine Frau ist ebenfalls so ein akademisches Flugobjekt, das es über Eliteförderungen zur Promotion und bis hin zu Vertretungsprofessuren gebracht hat. Nebenbei wurden fünf Kinder versorgt, die temporären Umzüge zu Forschungsaufenthalten in Paris und Indiana gemanagt und darauf geachtet, dass die Brut brav zum Musikunterricht geht.

Es gibt ja so Familien, die gesellschaftliche Benchmarks aufstellen, die andere Familien dauerrätseln lassen: Wie machen die das? Wie schaffen die das? Und dann gründet eine solche Familie auch noch eine Partei zur Rettung Europas.

Lucke ist nicht harmlos

Bernd Lucke sagt zum Familiären nicht viel, außer dass seine 16 Jahre alte Tochter in Papas Partei Alternative für Deutschland eingetreten ist und darauf bestanden hat, die Mitgliedsbeiträge aus eigenem Geld aufzubringen. Einem seiner älteren Söhne gefällt die Parteigründung seines Vaters auch gut, verrät er auf seiner Facebook-Seite.

Lucke pflegt eine professoral-didaktische Rhetorik, mit der er ganz gut durch die ersten beiden Talkshows seines Lebens gekommen ist (Anne Will und Maybrit Illner). Er sagt selbst: „Ich hatte noch kein Medientraining, aber ich brauche wohl eines.“

Das Präventiv der Professoren-Zunft geht Lucke komplett ab. Er kommt in Windjacke, Pullover und Rucksack zum Treffpunkt gelaufen wie zum Familienausflug in den Zoo mit Fanta, Butterkeks und einer Thermoskanne Kaffee für die Erwachsenen. Das ist aber nur eine Phantasie, die ein wenig in die Irre führt. **Denn harmlos ist Lucke nicht. Man spürt nicht nur seinen optimistischen Drive, sondern Selbstdisziplin, eine zarte Spitzbübigkeit und - Ehrgeiz. Jetzt will er in den Bundestag.**

Was den Mann im Innersten treibt, weiß er höchstens selbst zu sagen. Doch ein paar Indizien unterstützen folgende These: Er sieht die deutsche Eurorettungspolitik als so gefährlich für künftige Generationen an, dass Schweigen verboten ist, zumal für Experten. Dafür ist der Konservative aus der CDU ausgetreten und setzt seinen Ruf aufs Spiel, inklusive seiner akademischen Reputation, für eine Partei, der Demoskopien bisher nur Splitterparteien-Resultate zubilligen.

Spezialwissen ist nicht per se schlecht im Amt

Manchmal schockt eine Maus einen Elefanten. Und, wer weiß, vielleicht schlägt die Stunde der Professoren in der Politik doch irgendwann. In den letzten Jahren der Eurorettung dürfte in der Bevölkerung nicht der Eindruck gewachsen sein, dass der ökonomische Sachverstand geradezu überschießt in der Bundesregierung.

Den Ökonomie-Professoren hatten die Politiker in vergangenen Jahren genussvoll vorgeworfen, die Finanzkrise nicht prophezeit zu haben, die Versager. Aber sehen es auch die Leute so? **Die Verwerfungen, die die Eurozone gerade erlebt, haben die vielgescholtenen Volkswirte vorhergesehen. Sie haben sogar laut gewarnt. Nur auf sie hören wollte keiner. Jetzt sind viele der Experten bei der Alternative für Deutschland als Unterstützer vermerkt. „Wir sind die Partei mit der größten Dichte an Volkswirtschaftsprofessoren in Deutschland“, sagt Lucke.**

Alle haben sich daran gewöhnt, dass Politiker als Generalisten alles können. Daraus muss ja nicht zwanghaft der Schluss gezogen werden, Spezialwissen sei per se schlecht im Amt. Als Gastforscher der OECD hat Lucke 2011 mit einem Kollegen einen Artikel geschrieben mit dem Titel „Debt sustainability, illiquidity and insolvency.“ Es ist ein für Laien kaum zu verstehendes Papier, in dem es von mathematischen Formeln und Grafiken wimmelt. Aber im Kern geht es darum, wie verschuldet, solvent und liquide Griechenland ist oder eben gerade nicht. Lucke hat die Rettungsschirme akribisch analysiert und mit Kollegen alternative Ausstiegsszenarien aus dem Euro entwickelt. Die europäische Schicksalsfrage hat er besser durchdrungen als die meisten Bundestagsabgeordneten, die mit ihrem Halbwissen riesige Rettungspakete geschnürt haben.

Der Umgang der europäischen Freunde war schon liebevoller

Keiner weiß, was aus der „Alternative für Deutschland“ werden wird. Bekommt sie die Unterschriften zusammen, um überhaupt kandidieren zu dürfen (ein Promille der Wahlberechtigten eines Bundeslandes, höchstens jedoch 2000)? „Das schaffen wir“, glaubt Lucke. Aber gelingt es auch, die drei Millionen Euro zusammenzukratzen, die die Partei nach eigener Grobrechnung braucht für den Wahlkampf? Und schließlich die Frage: **Wie gelingt es der Partei, die Etikettierung als antieuropäische Rechtspopulisten, die in grenzenloser Borniertheit den europäischen Frieden aufs Spiel setzen, zu vermeiden?**

Der Lebensweg der Lucke-Familie spricht gegen solche Unterstellungen. Sie sind ziemlich herumgekommen, die Luckes. Bernd Lucke selbst sieht sich, das mag Rhetorik sein, als Kämpfer für den europäischen Frieden, der den Peripherieländern eine ökonomische Perspektive geben will.

In einem hat er schon einmal recht: Dass der Euro die Freundschaft der europäischen Völker vertieft hätte, so ist zurzeit schwer zu argumentieren angesichts der Hassparolen aus Griechenland, Italien und jetzt Zypern gegen die Bundeskanzlerin. Der Umgang der europäischen Freunde war schon liebevoller. Aber das war vor dem Euro.

Chypre: Angela Merkel joue-t-elle l'Euro à la roulette russe ?



Lors des réunions parlementaires de vendredi matin, la Chancelière avait du mal à contenir sa fureur, alors qu'elle porte une partie du blâme sur ses épaules, titrait Der Spiegel. [II](#)

Ayant souvent pris la défense de la Chancelière allemande, et du rôle constructif qu'elle a joué dans la grande saga de la crise de la dette souveraine européenne, je me sens libre de poser une question dont la gravité ne m'échappe pas. Il y a, dans la position allemande, qu'elle a incontestablement imposée à l'Eurozone à la demande de Christine Lagarde du FMI, une vraie menace pour la crédibilité de l'Eurozone. C'est en effet le FMI qui a exigé cette mesure depuis décembre 2012. Les décisions qui se prennent ce weekend ont toutes les caractéristiques d'un compromis aux conséquences imprévisibles. Lundi 25 mars sera un autre jour dangereux pour une Eurozone qui les collectionne.

L'Europe a laissé exploser la dette chypriote.

Une étude de l'Institute of international Finance intitulée « *Cyprus : Just the Facts* » [\[2\]](#) démontre l'incapacité de l'Eurozone de discipliner l'endettement des États Membres: fin 2008, la dette chypriote était de 50% du PIB. Elle a atteint 85% à fin 2012. Rien n'a été fait pour tempérer cette explosion à un moment où toutes les instances européennes étaient penchées sur la Grèce et qu'il était clair que les dépôts grecs filaient vers Nicosie. (Il n'y a pas que des dépôts russes, figurez-vous).

C'est un accident dans la **centrale électrique de Vassilikos** qui a, en 2011, provoqué une première restructuration de la dette du pays, largement détenue par les banques chypriotes.

Les banques chypriotes étaient aussi largement détentrices de **dette grecque** dont la restructuration a mis les banques en péril. Elles ont été impactées concurrence de 75% comme l'entière des détenteurs privés. Il leur en a coûté 3,5 milliards d'euros, ce qui a imposé une seconde restructuration. L'Europe a plus qu'une part de responsabilité dans cette crise. Elle reste en déni. Le **12 avril 2012**, le New York Times titrait *La crise grecque laisse Chypre patauger dans sa dette*.

C'est l'Allemagne qui a voulu confisquer une partie des dépôts.

Avec une grande inconscience, Angela Merkel a non seulement soutenu la demande du FMI concernant la confiscation d'une partie des dépôts, mais elle voulait même mettre le gros de la restructuration chypriote sur le compte des déposants avec une confiscation de 40%. Pour les raisons que nous avons déjà évoquées, l'Europe a violé son propre principe de protection des dépôts. La perspective d'une taxation de 15% au-delà de 100.000 euros aura cependant des conséquences imprévisibles.

Une étude publiée ce weekend par JP Morgan est un signal d'alarme face à ce qu'elle considère comme un danger systémique pour les dépôts de l'Eurozone. Elle estime *qu'il y a un risque sérieux de fuite des dépôts dès qu'un pays de l'Eurozone sera en difficultés*.

Devant la levée de boucliers mondiale face à cette mesure aux conséquences désastreuses, Angela Merkel a du reculer pour respecter les dépôts garantis. Malheureusement le mal est fait et le ver est dans le fruit.

C'est l'Allemagne qui force la BCE d'agir en dépit de toute décence.

Il apparaît de plus en plus que l'homme fort de la menace de couper les liquidités des banques chypriotes est le membre allemand du directoire de la BCE, Joerg Asmussen[3]. On constatera que ses déclarations tranchent avec le silence de Mario Draghi qui est généralement le grand communicateur de la BCE.

C'est lui qui tente de nous faire croire que la situation chypriote est unique. On nous avait déjà fait le coup avec la Grèce. De surcroît, son argument est fallacieux. L'Europe accepte de dépenser 100 milliards d'euros en **fonds propres** pour les banques espagnoles et ne pourrait pas octroyer des **lignes de liquidité** aux banques chypriotes? on croit rêver.

La décision de fermer les marchés de capitaux isole Chypre et pourrait être explosive

Le caractère contre-productif de la décision prise vendredi soir d'isoler Chypre est une forme d'exclusion de l'Eurozone. Or, c'est cette mesure que, dans leur désespoir, le Parlement chypriotes a voté. Chypre ne dispose plus de l'interconnexion de l'Eurozone au moment où elle en a le plus besoin.

Cette suffocation pourrait avoir des conséquences sur l'entière du système bancaire européen qui a un risque estimé à 39 milliards d'euros sur Chypre.

La rhétorique antirusse est non-fondée

Tous les pays d'Europe ont, peu ou prou, été les récipiendaires de capitaux russes. N'en déplaise à Vladimir Poutine, son pays est poreux et les oligarques qu'il protège ont depuis longtemps choisi Londres, Francfort ou la Turquie pour se défendre du fait que la Russie n'est pas un État de droit. Et le crime d'État se répand de plus en plus.

Attaquer la Russie sur ce terrain est cependant une erreur : elle a prêté 2,7 milliards d'euros à Chypre. Ce crédit vient à échéance. Il faut se faire une raison et l'attaque virulente de la Chancelière contre les dirigeants russes était déplacée. Si la Russie ne renouvelle pas ce prêt, où y met des conditions inacceptables, qui remboursera ? Critiquer le Ministre chypriote des Finances pour avoir été à Moscou alors que l'Europe lui coupe les vivres en Europe est absurde.

Mettre en route le Mécanisme Européen de Stabilité est la seule issue

Seule une solidarité exprimée par l'Europe peut encore sauver Chypre qui a d'ores et déjà épuisé toutes les mesures possibles. Va-t-on faire sauter l'Eurozone pour 17 milliards d'euros alors que l'on sauve l'Espagne, le Portugal et l'Irlande pour des multiples de ce montant.

Si ce weekend, les pays de l'Eurozone n'actionnent pas le MES pour couvrir le risque chypriote, les risques de contagion seront redoutables. C'est la confiance dans l'Eurozone qui est minée par ce qui vient de se passer. Sinon, à quoi servira le MES?

Seul un sursaut du sens des responsabilités s'impose. Mais Angela Merkel s'est mise dans une situation qui rend impossible ce nécessaire volte-face. Après avoir mené de main de maitresse la crise européenne, Nicosie pourrait-elle en faire le fossoyeur ?

S'attaquer à Chypre est inepte et scandaleux.

Il semble qu'Angela Merkel n'ait pas pris la mesure de ce qu'a d'absurde de créer une nouvelle crise européenne aux répercussions mondiales en attaquant l'un des plus petits pays de l'Europe.

Malheureusement, c'est dans la Bible que David renverse Goliath. Pas dans le fonctionnement de l'Eurozone : ce qu'il faut bien appeler un harcèlement contre une demi île d'un million d'habitants qui représente 0,5% du PIB européen est incompréhensible, et aura un effet boomerang. Comme le disait déjà Jean de la Fontaine dans les animaux malades de la peste « selon que vous serez puissants ou misérables, les jugements de cour vous rendront blanc ou noir ». A moins que l'on préfère le loup et l'agneau « la raison du plus fort est toujours la meilleure ». L'Allemagne ne peut espérer le respect des autres si elle recourt à des méthodes qui laissent un goût de cendres.

Où est la voix de la France, le seul pays qui soit de taille à s'opposer à la dictature allemande de l'Eurozone, dans cette dangereuse cacophonie ?

[1] <http://www.spiegel.de/international/germany/chancellor-merkel-angry-with-cyprus-as-euro-crisis-intensifies-a-890453.html>

[2] <http://www.iif.com/resources+2662.php>

[3] <http://uk.reuters.com/article/2013/03/20/uk-ecb-asmussen-idUKBRE92J0DW20130320>

Alemania contra Europa

[El País 23 MAR 2013 - 21:42 CET38](#)

74,57

EL PAÍS ha retirado de su web el artículo “Alemania contra Europa”, firmado por Juan Torres López y publicado en su edición de Andalucía, porque contenía afirmaciones que este periódico considera inapropiadas. EL PAÍS lamenta que un error en las tareas de supervisión haya permitido la publicación del citado material. Las opiniones expresadas por Torres López solo representan al autor.

El Pais Retracts Article Alleging "Merkel, Like Hitler, Has Declared War On Europe"

Submitted by [Tyler Durden](#) on 03/24/2013 09:41 -0400

74,58

What does it take for the Spanish "first amendment" journalistic override to kick in? Apparently, in the case of local media leader El Pais, putting up the [following in print](#): "*Merkel, como Hitler, ha declarado la guerra al resto del continente, ahora para garantizarse su espacio vital económico.*" For the Spanish-challenged this translates as follows: "*Merkel, like Hitler, has declared war on the rest of the continent now to secure their economic living space.*" Ah yes, the touchy verboten topic of German "[Lebensraum](#)" - its invocation, and ostensibly the unflattering Merkel comparison (seen so often in Greece) were enough to get the article by Juan Torres López in the Andalusia version of El Pais titled simply enough "[Alemania contra Europa](#)" taken down.

Is it perhaps because unlike in Greece, where articles like that are a daily occurrence, Spaniards still have something to lose should they also lose the good graces of the German chancellor? Something that is more than one Spiderman towel per depositor in the nation's just as insolvent banking system, where apparently unlike in Cyprus, the ESM actually does work to preserve liquidity and stability?...

A cached version of the article:

Alemania contra Europa | Andalucía | EL PAÍS

ccaa.elpais.com/ccaa/.../1363974112_833529.html



In its place one only now [sees the following](#):

EL PAÍS ha retirado de su web el artículo “Alemania contra Europa”, firmado por Juan Torres López y publicado en su edición de Andalucía, porque contenía afirmaciones que este periódico considera inapropiadas. EL PAÍS lamenta que un error en las tareas de supervisión haya permitido la publicación del citado material. Las opiniones expresadas por Torres López solo representan al autor.

aka:

The country has removed from its website the article "Germany against Europe", signed by Juan Torres López and published in its edition of Andalusia, because it contained statements that this paper considers inappropriate. COUNTRY regrets that an error in the monitoring tasks has allowed the publication of said material. The opinions expressed by Torres López represent only the author.

Oops, there goes freedom of expression. Of course, the full article can still be found on line, [here for example](#).

But don't anyone dare touch Dancing with the Stars (or, in Europe, Big Brother). Then we will have problems.

Alemania contra Europa

Artículo censurado por El País Andalucía al profesor Juan Torres López.

74,60

“Es muy significativo que habitualmente se hable de “castigo” para referirse a las medidas que Merkel y sus ministros imponen a los países más afectados por la crisis.

Dicen a sus compatriotas que tienen que castigar nuestra irresponsabilidad para que nuestro despilfarro y nuestras deudas no los paguen ahora los alemanes. Pero el razonamiento es falso pues los irresponsables no han sido los pueblos a los que Merkel se empeña en castigar sino los bancos alemanes a quienes protege y los de otros países a los que prestaron, ellos sí con irresponsabilidad, para obtener ganancias multimillonarias.

Los grandes grupos económicos europeos consiguieron establecer un modelo de unión monetaria muy imperfecto y asimétrico que enseguida reprodujo y agrandó las desigualdades originales entre las economías que la integraban. Además, gracias a su enorme capacidad inversora y al gran poder de sus gobiernos las grandes compañías del norte lograron quedarse con gran cantidad de empresas e incluso sectores enteros de los países de la periferia, como España. Eso provocó grandes déficits comerciales en éstos últimos y superávit sobre todo en Alemania y en menor medida en otros países.

Paralelamente, las políticas de los sucesivos gobiernos alemanes concentraron aún más la renta en la cima de la pirámide social, lo que aumentó su ya alto nivel de ahorro. De 1998 a 2008 la riqueza del 10% más rico de Alemania pasó del 45% al 53% del total, la del 40% siguiente del 46% al 40% y la del 50% más pobre del 4% al 1%.

Esas circunstancias pusieron a disposición de los bancos alemanes ingentes cantidades de dinero. Pero en lugar de dedicarlo a mejorar el mercado interno alemán y la situación de los niveles de renta más bajos, lo usaron (unos 704.000 millones de euros hasta 2009, según el Banco Internacional de Pagos) para financiar la deuda de los bancos irlandeses, la burbuja inmobiliaria española, el endeudamiento de las empresas griegas o para especular, lo que hizo que la deuda privada en la periferia europea se disparase y que los bancos alemanes se cargaran de activos tóxicos (900.000 millones de euros en 2009).

Al estallar la crisis se resintieron gravemente pero consiguieron que su insolvencia, en lugar de manifestarse como el resultado de su gran imprudencia e irresponsabilidad (a la que nunca se refiere Merkel), se presentara como el resultado del despilfarro y de la deuda pública de los países donde estaban los bancos a quienes habían prestado. Los alemanes retiraron rápidamente su dinero de estos países, pero la deuda quedaba en los balances de los bancos deudores. Merkel se erigió en la defensora de los banqueros alemanes y para ayudarles puso en marcha dos estrategias. Una, los rescates, que vendieron como si estuvieran dirigidos a salvar a los países, pero que en realidad consisten en darle a los gobiernos dinero en préstamos que pagan los pueblos para traspasarlo a los bancos nacionales para que éstos se recuperen cuanto antes y paguen enseguida a los alemanes. Otra, impedir que el BCE cortase de raíz los ataques especulativos contra la deuda de la periferia para que al subir las primas de riesgo de los demás bajara el coste con que se financia Alemania.

Merkel, como Hitler, ha declarado la guerra al resto de Europa, ahora para garantizarse su espacio vital económico. Nos castiga para proteger a sus grandes empresas y bancos y también para ocultar ante su electorado la vergüenza de un modelo que ha hecho que el nivel de pobreza en su país sea el más alto de los últimos 20 años, que el 25% de sus empleados gane menos de 9,15 euros/hora, o que a la mitad de su población le corresponda, como he dicho, un miserable 1% de toda la riqueza nacional.

Merkel, like Hitler, has declared war on the rest of Europe, now to secure their economic living space. We are being punished to protect their corporations and banks and to hide the shame to their constituents of a model that has made the poverty level in the country is the highest in the past 20 years, that 25% of employees earn less than 9.15 euros / hour, or half of the population it is concerned, as I said, a miserable 1% of the national wealth.

La tragedia es la enorme connivencia entre los intereses financieros paneuropeos que dominan a nuestros gobiernos, y que estos, en lugar de defendernos con patriotismo y dignidad, nos traicionen para actuar como meras comparsas de Merkel.”

The tragedy is the massive collusion between pan-European financial interests that dominate our government, and that these, rather than defend with patriotism and dignity, betray us to act as mere extras of Mrs Merkel. "

Schuldenkrise Alle für alle

25.03.2013 · Europäische Demokratie braucht Solidarität. Ein jedes Parlament muss sich bewusst sein, dass es mit darüber entscheidet, was auf ganz Europa zukommt.

Von [Andreas Ross](#)

74,61

Demokratie ist in Zeiten der Euro-Krise ein schwieriges Geschäft. Als tiefster Punkt der politischen Gratwanderung zwischen demokratischer Legitimation und effektiver Krisenbeherrschung konnte bisher jene Woche im Herbst 2011 gelten, als der damalige griechische Ministerpräsident Papandreou ein Referendum über den Verbleib seines Landes im Euroraum ankündigte - und es unter Druck der überrumpelten Partner nur wenige Tage später wieder abblies.

Doch die zyprische Demokratie-Darbietung der vergangenen Tage ist genauso geeignet, das Vertrauen der Europäer in die Grundordnung ihrer Staaten zu untergraben. Wenige Tage, nachdem sich die Abgeordneten in Nikosia ohne plausiblen Gegenvorschlag das Rettungsangebot für ihr kurz vor der Zahlungsunfähigkeit stehendes Land verbat und sich dafür eine kurze Nacht als Helden feiern ließen, wirken die abgeschmetterten Notmaßnahmen milde im Vergleich mit dem, was jetzt auf das Land zukommen dürfte.

Die ewige Furcht vor nervösen Märkten

Wer aus der Ohnmacht von Volk und Volksvertretern aber schließt, eine finstere Brüsseler, Frankfurter oder gar Berliner Macht habe die Demokratie durch eine Art Troikratie ersetzt, greift zu kurz. Es ist nicht das Wesen der Demokratie, alle Zumutungen per Mehrheitsbeschluss abwehren zu können. Das offene Ringen um die beste Lösung, das die Volksherrschaft kennzeichnen sollte, stößt allerdings in der Schuldenkrise an Grenzen. Die Materie ist derart komplex, dass die meisten Abgeordneten weder die Folgen ihres Tuns und Lassens abschätzen noch dem Volk gut erklären können, was eigentlich vor sich geht. Aber auch die Bürger haben vielfach bewiesen, dass sie Ehrlichkeit von Politikern selten honorieren, wenn die Wahrheit bitter ist. Schließlich hemmt die Furcht vor den nervösen Märkten den freien Diskurs.

Das alles kann sich Europa nicht mehr leisten. Das zyprische Parlaments-Fiasko sollte etwa den neugewählten italienischen Abgeordneten ein zusätzlicher Ansporn sein, ihrer Verantwortung für ihr Land und ganz Europa gerecht zu werden. Das tun sie nicht, wenn sie das Land weiter in die Krise schlittern lassen und darauf setzen, in der Stunde größter Not der Bundeskanzlerin oder anderen gewählten Volksvertretern Europas die Schuld an allem zu geben. Europäische Demokratie braucht Solidarität. Das heißt auch: Jedes Parlament muss sich bewusst sein, dass es mit darüber entscheidet, was auf ganz Europa zukommt.

Eurogroup Press Conference -(And Full Eurogroup Statement)

Submitted by [Tyler Durden](#) on 03/24/2013 21:29 -0400

74,62

It's 2:30am, do you know where your deposits are? Tune in to see the Eurogroup explain how this is in the best interest of the Cypriot people, how the 'deal' illustrates the solidarity of the European people, and how the worst of the crisis is now behind us.

- ***SCHAEUBLE SAYS CYPRIOT DEAL NEEDED BAIL-IN AT BOTH BIG BANKS**
- ***SCHAEUBLE SAYS MUCH WORK REMAINS TO BE DONE :BOCY CY, CPB CY**
- ***SCHAEUBLE SAYS TIME LOST ON CYPRUS, SITUATION DIDN'T IMPROVE**
- ***EU COMMISSION SAYS NO CYPRUS PARLIAMENT VOTE NEEDED: SCHAEUBLE**
- ***SCHAEUBLE SAYS TROIKA TO CONTACT RUSSIAN GOVT ON DEAL :BOCY CY**

Here it is - in all its glory. The full Eurogroup statement explaining how there is no need for the Cypriots to vote on this, how Laiki bank is totally liquidated with equity, debt, and uninsured depositors wiped out, and how they believe in some way that this will not end in a disorderly process...

- ***DIJSSELBLOEM SAYS DEPOSITOR LOSSES STILL TO BE DETERMINED**
- ***REHN SAYS EU TO PERFORM NEW CYPRUS DEBT-SUSTAINABILITY STUDY**
- ***DIJSSELBLOEM SAYS LAIKI BANK TO BE RESOLVED IMMEDIATELY**

25 March 2013

Eurogroup Statement on Cyprus

The Eurogroup has reached an agreement with the Cypriot authorities on the key elements necessary for a future macroeconomic adjustment programme. This agreement is supported by all euro area Member States as well as the three institutions. The Eurogroup fully supports the Cypriot people in these difficult circumstances.

The programme will address the exceptional challenges that Cyprus is facing and restore the viability of the financial sector, with the view of restoring sustainable growth and sound public finances over the coming years.

The Eurogroup welcomes the plans for restructuring the financial sector as specified in the annex.

These measures will form the basis for restoring the viability of the financial sector. In particular, they safeguard all deposits below EUR 100.000 in accordance with EU principles.

The programme will contain a decisive approach to addressing financial sector imbalances. There will be an appropriate downsizing of the financial sector, with the domestic banking sector reaching the EU average by 2018. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatisation.

The Eurogroup welcomes the Terms of Reference for an independent evaluation of the implementation of the anti-money laundering framework in Cypriot financial institutions, involving Moneyval alongside a private international audit firm, and is reassured that the launch of the audit is imminent. In the event of problems in the implementation of the framework, problems will be corrected as part of the programme conditionality.

The Eurogroup further welcomes the Cypriot authorities' commitment to take further measures. These measures include the increase of the withholding tax on capital income and of the statutory corporate income tax rate. The Eurogroup looks forward to an agreement between Cyprus and the Russian Federation on a financial contribution.

The Eurogroup urges the immediate implementation of the agreement between Cyprus and Greece on the Greek branches of the Cypriot banks, which protects the stability of both the Greek and Cypriot banking systems.

The Eurogroup requests the Cypriot authorities and the Commission, in liaison with the ECB, and the IMF to finalise the MoU at staff level in early April.

The Eurogroup notes the intention of the Cypriot authorities to compensate potential individual victims of fraudulent practices, in line with established legal and judicial procedures, outside the programme.

The Eurogroup takes note of the authorities' decision to introduce administrative measures, appropriate in view of the present unique and exceptional situation of Cyprus' financial sector and to allow for a swift reopening of the banks. The Eurogroup stresses that these administrative measures will be temporary, proportionate and non-discriminatory, and subject to strict monitoring in terms of scope and duration in line with the Treaty.

Against this background, the Eurogroup reconfirms, as stated already on 16 March, that – in principle - financial assistance to Cyprus is warranted to safeguard financial stability in Cyprus and the euro area as a whole by providing financial assistance for an amount of up to EUR 10bn. The Eurogroup would welcome a contribution by the IMF to the financing of the programme. Together with the decisions taken by Cyprus, this results in a fully financed programme which will allow Cyprus' public debt to remain on a sustainable path.

The Eurogroup expects that the ESM Board of Governors will be in a position to formally approve the proposal for a financial assistance facility agreement by the third week of April 2013 subject to the completion of national procedures.

Annex

Following the presentation by the Cyprus authorities of their policy plans, which were broadly welcomed by the Eurogroup, the following was agreed:

1. Laiki will be resolved immediately - with full contribution of equity shareholders, bond holders and uninsured depositors - based on a decision by the Central Bank of Cyprus, using the newly adopted Bank Resolution Framework.
2. Laiki will be split into a good bank and a bad bank. The bad bank will be run down over time.
3. The good bank will be folded into Bank of Cyprus (BoC), using the Bank Resolution Framework, after having heard the Boards of Directors of BoC and Laiki. It will take 9 bn Euros of ELA with it. Only uninsured deposits in BoC will remain frozen until recapitalisation has been effected, and may subsequently be subject to appropriate conditions.
4. The Governing Council of the ECB will provide liquidity to the BoC in line with applicable rules.
5. BoC will be recapitalised through a deposit/equity conversion of uninsured deposits with full contribution of equity shareholders and bond holders.
6. The conversion will be such that a capital ratio of 9 % is secured by the end of the programme.
7. All insured depositors in all banks will be fully protected in accordance with the relevant EU legislation.
8. The programme money (up to 10bn Euros) will not be used to recapitalise Laiki and Bank of Cyprus.

The Eurogroup is convinced that this solution is the best way forward for ensuring the overall viability and stability of the Cyprus financial system and its capability to finance the Cyprus economy.

Average:

Den Protesten in Südeuropa fehlt der Anstand

74,64

Fehlen Anstand und politische Kultur? Anders sind die fortwährenden Nazi-Vergleiche in den von der Euro-Krise betroffenen Staaten Südeuropas kaum zu erklären. Ein klarer Blick tut dennoch gut. Von [Ulrich Clauß](#)



Foto: Getty Images Immer wieder finden sich in Südeuropa Nazi-Vergleiche bei den Protesten gegen die aufgezwungene Sparpolitik

Man ist es schon gewohnt, aber man will sich nicht daran gewöhnen. Wann immer in Südosteuropa eine Schuldenwirtschaft zusammenkracht, tauchen Bilder vom hässlichen Deutschen auf. In [Griechenland](#), Spanien, Italien und jetzt [Zypern](#). Auch aus Malta, dem mutmaßlich nächsten Pleitekandidaten, sind bereits im Vorfeld rüde antideutsche Töne zu hören. Merkel-Plakate mit Hitler-Bärtchen sind da noch die freundlicheren Botschaften, die uns aus all jenen Ländern erreichen, in denen Arbeitsplatzverlust und allgemein drohende Verarmung die Menschen nach Sündenböcken suchen lassen.

Der Mechanismus läuft wie im Lehrbuch der politischen Agitation. Angeleitet zur Deutschenschele werden die Menschen im südlichen Krisengürtel mit Fleiß von ebenjenen Eliten, die in ihrem jeweiligen Land den ökonomischen und politischen Bankrott zu verantworten haben. Besonders gut funktioniert das, wenn denen die Medien selbst gehören, wie das im Falle von [Berlusconi](#) und Italien der Fall ist.

Aber diese Art deutschfeindlicher Schulterschluss von medialer Öffentlichkeit und gelenkter öffentlicher Empörung funktioniert auch bei verteilten Besitzverhältnissen. Zu groß ist offenbar die Versuchung in vielen Redaktionen, der landeseigenen Elite nach dem Mund zu reden und im Mainstream eines "antikolonialen" Phantomschmerzes die wahren Ursachenzusammenhänge der jeweiligen Misere zu vernebeln.

Das politkulturelle Gefälle ist riesig

Was kann man vonseiten der deutschen Regierung gegen diese Stimmungsmache tun? Wahrscheinlich nicht viel. Die deutsche Vergangenheit ist in vielen Ländern noch präsent genug, um jederzeit Zerrbilder deutschen Machtstrebens wieder zum Leben zu erwecken. Es gibt eben Wunden, die heilt keine Zeit. Um aber wenigstens hierzulande einen klaren Blick zu behalten, hilft es sicher, sich in aller Nüchternheit über den Zustand der politischen Kultur in den Ländern des südosteuropäischen Krisengürtels Klarheit zu verschaffen.



Merkel als Covergirl in aller Welt

Was beispielsweise die endemische Verbreitung von [Korruption in Regierungs- und Verwaltungseinrichtungen](#) sowie in nahezu allen Parteien des jeweiligen parlamentarischen Spektrums angeht, rangieren diese Länder im Bereich von Dritte-Welt-Diktaturen. Es handelt sich samt und sonders um Staaten, in denen "good governance" ein Fremdwort zu sein scheint.

Auch wenn es bislang kaum jemand offen auszusprechen wagt: Das politkulturelle Nord-Süd-Gefälle in Europa ist extrem. Was man allerdings erwarten darf, ist, dass wenigstens hierzulande die Flötentöne der illiquiden Rattenfänger in den Krisenstaaten nicht nachgespielt werden.

Klage gegen Finanzausgleich

Das Versagen der Länder

24.03.2013 · Hessen und Bayern reichen an diesem Montag ihre Klage gegen den Länderfinanzausgleich beim Bundesverfassungsgericht ein. Die Klage ist ein Symptom: Die Länder können es nicht.

Von [Jasper von Altenbockum](#)

74,66



© Fricke, Helmut Allianz: Hessen und Bayern kämpfen gemeinsam

Es gibt kaum ein föderales Feld, das nicht einem verwahrlosten Acker gleicht. Ob das die Energiewende ist oder der Verfassungsschutz, ob es die Schulen sind, die Straßen, Brücken und „Großprojekte“, ob es der Fiskalpakt oder der Dschungel des Länderfinanzausgleichs ist, durch den Volker Bouffier und Horst Seehofer eine Schneise schlagen wollen - die Länder bekommen, so scheint es, nichts auf die Reihe. Können die Länder nicht? Oder wollen die Länder nicht? War das schon immer so? Oder war es schon immer so und wird jetzt einfach nur noch schlimmer?

Hessen und Bayern reichen an diesem Montag ihre Klage gegen den Länderfinanzausgleich beim Bundesverfassungsgericht ein. Der Schritt hat viele gute Gründe für sich. Ein Finanzausgleich, in den nur noch drei der sechzehn Länder einzahlen, spricht nicht dafür, dass Gerechtigkeit walte oder ein System, das durch Anreize oder gar Sanktionen dafür sorgt, dass sich die Gerechtigkeit wie von selbst ergäbe.

Doch die guten Gründe führten schon vor gut fünfzehn Jahren zu einer Klage derselben Länder. Auch das Ergebnis der neuen Klage wird wieder das gleiche sein wie damals. Es wird auf die Aufforderung aus Karlsruhe hinauslaufen, einen vom Grundgesetz vorgeschriebenen Ausgleich der Finanzkraft der Länder zu finden, der die im Grundgesetz vorgeschriebene Gleichwertigkeit der Lebensverhältnisse in Deutschland zu gewährleisten hat. Nicht das Verfassungsgericht, sondern die Regierungen der Länder regeln diesen Länderfinanzausgleich. Man nennt es Politik. Das werden sie demnächst wieder beherzigen müssen, weil die jetzt beklagte Konstruktion nur noch sieben Jahre gilt.

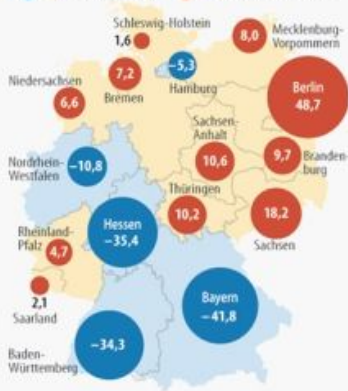
Selbst wenn diese Konstruktion, wie es Winfried Kretschmann aussprach, noch so „bescheuert“ sein mag: Vertrag ist Vertrag, sagen sich die anderen vierzehn Länder, das dritte Geberland Baden-Württemberg inbegriffen. Auch dieser Standpunkt hat gute Gründe. Was hilft es, in Karlsruhe zum insgesamt fünften Mal - bislang gab es vier Urteile des Bundesverfassungsgerichts über den Länderfinanzausgleich - klären zu lassen, was nur politisch zu klären ist? Warum sollte man die Verhandlungen, die in den kommenden Jahren zu führen sind, gleich zu Beginn mit einer Verfassungsklage befrachten?

Der Länderfinanzausgleich

Geber und Empfänger 1995 bis 2012

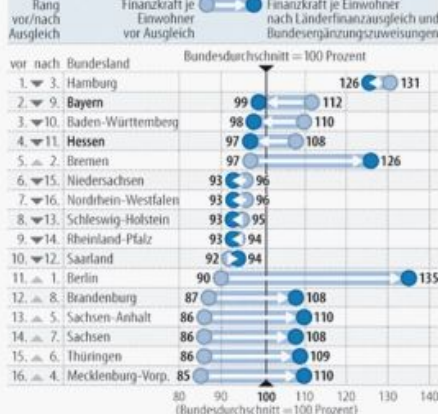
kumuliert in Milliarden Euro¹⁾

● Geber (Minuswerte) ● Empfänger (Pluswerte)



Finanzkraft-Rangfolge der Bundesländer vor und nach Ausgleich²⁾

○ Finanzkraft je Einwohner vor Ausgleich ○ Finanzkraft je Einwohner nach Länderfinanzausgleich und Bundesergänzungszuweisungen



¹⁾ Wert für 2012 vorläufig, Summen nicht inflationsbereinigt. ²⁾ Vorläufige Werte für 2012. Ausgangspunkt für den Länderfinanzausgleich ist die Finanzkraft je Einwohner der einzelnen Länder. Die Finanzkraft eines Landes ist die Summe seiner Einnahmen und anteilig (zu 64 Prozent) die Summe der Einnahmen seiner Gemeinden.

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Mit einer Klage zudem, auf deren Ausgang jetzt erst einmal alle warten müssen, um zu wissen, wo es (nicht) langgehen soll - ein Ausgang, von dem aber alle Beteiligten genauso wissen, dass er gar nicht bis ins Letzte festlegen kann und soll, wo es langgeht; von dem alle außerdem wissen, dass er nicht die ersehnte Schneise durch den Dschungel des Länderfinanzausgleichs schlägt, sondern den Dschungel nur noch dichter machen wird. Denn wenn vor dem magischen Jahr 2020 wieder über die bundesrepublikanische Finanzverfassung verhandelt wird, kommen zur hessisch-bayerischen Klage noch ganz andere Brocken hinzu: die Schuldenbremse, das Ende des Solidarpakts und der europäische Fiskalpakt, der im Bundesrat von der Mehrheit der von SPD und Grünen regierten Länder blockiert wird.

Trotzdem - oder gerade deshalb - haben die Regierungen von Hessen und Bayern ausgerechnet dieses Instrument gewählt. Vor den Landtagswahlen im kommenden September möchten sie zeigen, wie gut es ihren Ländern geht, und dass es ihnen noch viel besser ginge, wenn andere Länder so regiert würden wie Hessen oder Bayern. Selbst das grün-rot regierte Baden-Württemberg passt in diese Reihe, weil es bis vor kurzem noch schwarz-gelb regiert wurde. Hessen und Bayern sind die letzten Länder im Westen, die noch von Union und FDP regiert werden. Rot-grüne Regierungen und große Koalitionen im Westen haben diesem Bild nur den Hinweis auf einen angeblich obsoleten Solidarpakt entgegenzusetzen, also darauf, dass künftig nicht mehr die Himmelsrichtung darüber entscheiden dürfe, wohin das Geld im Länderfinanzausgleich fließe, nämlich zum übergroßen Teil von West nach Ost.

Die Klage Hessens und Bayerns nimmt damit die Gestalt eines schwarz-gelben Racheengels an, der sich gegen die rot-grüne Mehrheit im Bundesrat stemmt, die als Kartell der Nehmer, Umverteiler und Nutznießer alle Veränderungen blockiert. Das macht sich im Wahlkampf ganz gut. Doch danach wird der Länderfinanzausgleich wieder seine Janusköpfigkeit zeigen: einerseits ein Grund für Zank und Streit und Konkurrenz, andererseits ein Grund für Verflechtung und Kompliziertheit und Dschungel; einerseits ein Grund für Egoismus und Wettbewerb, andererseits ein Grund für verschleierte Verantwortung und falsch verstandene Solidarität.

Im Länderfinanzausgleich steckt damit alles, was über die Schulpolitik, die Energiewende und neuerdings auch aus der inneren Sicherheit bekannt ist - wie auch immer die alten und neuen Baustellen eines Föderalismus heißen mögen, der zum Schimpfwort zu verkommen droht. Die Länder sind schlechter denn je darauf vorbereitet, aus diesen Baustellen in ein paar Jahren ein bundesstaatliches Gebäude zu zimmern, das sich sehen lässt. Sie können es offenbar nicht, weil sie es nicht wollen. Die Klage Hessens und Bayerns bringt es zutage. Richten wird sie es nicht.

The Cyprus bail-out

A better deal, but still painful

Mar 25th 2013, 4:34 by Charlemagne | BRUSSELS

74,68



IT WAS an appalling way to reach a decision, but in the end the euro zone's €10 billion (\$13 billion) bail-out package for Cyprus, agreed in the early hours of March 25th, was something approaching a reasonable compromise. At any rate, it dealt with the most egregious errors of the previous all-night deal.

It keeps Cyprus in the euro zone. And it restores the promise to protect bank deposits covered by the EU-mandated €100,000 deposit guarantee.

Cyprus is the fourth euro-zone country to receive a full bail-out after Greece, Ireland and Portugal (or the fifth, if one counts the partial bail-out for Spain's banks). But unlike previous rescues, the package for Cyprus left a large part of the island's financing needing to be found from its outsized banking sector—in particular from depositors, many of them Russian businessmen.

On March 16th Cyprus's president, **Nicos Anastasiades, desperate to protect Cyprus's status as an offshore banking model for Russians**, had decided to save the two biggest banks and thus to spread the pain thinly. He would have applied a hefty tax to all depositors: 9.9% for those too big to be covered by the EU-mandated €100,000 deposit guarantee, and 6.75% for the smaller depositors.

But after **a week of brinkmanship**—including protests by Cypriots, the extended closure of banks to avoid the outrush of money, a failed attempt by Cyprus to throw itself at Russia's feet, an ultimatum by the European Central Bank and an eleventh-hour threat by Cyprus to leave the euro zone—a different decision was made: to apply the pain much more intensely, but on a smaller number of large depositors.

The country's second-biggest bank, Laiki, would be wound down. Viable assets and insured deposits would be put into a "good bank". Another €4.2 billion worth of uninsured deposits would be placed into a "bad bank", to be disposed of, with no certainty that big depositors will get any money back.

The treatment of the biggest bank, Bank of Cyprus, was a bit less harsh. It is to be restructured severely by wiping out shareholders and bailing in bondholders, both junior and senior. Uninsured depositors would probably incur haircuts of the order of 35%, said senior sources involved in the negotiation. The "good bank" emerging from Laiki would be merged with Bank of Cyprus.

Jeroen Dijsselbloem (rubbing his eyes in the picture above), who chairs the euro zone's group of finance ministers, said the deal was better than the previous one in several respects. **To begin with, it concentrated on the cause of Cyprus's woe—the crippling of its two largest banks, which were heavily exposed to Greece. Moreover it would restore the protection of guaranteed deposits. And it would establish a sensible hierarchy of creditors when banks have to be wound up or restructured. Under the previous agreement, senior bondholders (who, admittedly, account for a relatively small sum) would have been spared while even small depositors would have been hit.**

After the upheavals of the past week, and months of earlier negotiations, the euro zone has ended up with a deal that is similar to the solution first proposed by the IMF, which was backed by Germany but rejected by Cyprus (and to some extent by the European Commission). The IMF had suggested winding down both Laiki and Bank of Cyprus and splitting them into good and bad banks. Now Mr Anastasiades has salvaged the shell of the Bank of Cyprus, but at the cost of encumbering it with bad assets. **The scale of the bail-in that will be required to bring it to the target capital-ratio of 9% remains unclear.**

It took a popular protest, and a threat by the European Central Bank to cut off liquidity to Cyprus by March 25th if a deal were not reached, to change Mr Anastasiades's mind about trying to protect those big foreign depositors at the expense of small domestic savers.

When he travelled to Cyprus to try to agree a new package on March 24th, the Cypriot president tried to push the issue out of the hands of finance ministers in the "euro group" and onto the lap of the leaders who would be called for a special summit. **At one point, participants said, Mr Anastasiades threatened to resign, even to pull Cyprus out of the euro zone.**

In the end, he relented. The European leaders, fed up with Cyprus's tactics, had refused to yield. Their confidence was increased by the fact that depositors did not start bank runs in other troubled parts of the euro zone, and the market's initial nervousness soon abated. **Germany and other creditor states are growing weary of successive bail-outs. Even France, usually the champion of "solidarity", could not summon the will to bail out Cyprus's "casino" banking, as Pierre Moscovici, the French finance minister, put it.**

So as well as exacting their bail-in, they declined to offer any more money, even though the Cypriot economy has been further weakened by the upheavals of recent days. **The creditors were helped by the IMF's view that too big a loan would simply make Cyprus's debt unsustainable.**

The immediate question is whether Mr Anastasiades can get his recalcitrant parliament, which had rejected the previous package by a vote of 36-0, to support the effective dismantling of Cyprus's offshore banking system.

A further question is when Cypriot banks will be able to reopen, and when "temporary" restrictions on the movement of capital—the first time any have been imposed during the euro-zone crisis—will be lifted. Big deposits in Bank of Cyprus will be frozen until their fate is settled.

Then another point of uncertainty is to do with Russia's reaction. The euro zone hopes that it, too, will contribute to their effort by rescheduling its €2.5 billion loan to Cyprus. **But now that its own citizens are being stung for billions of euros' worth of deposits, the Kremlin may not be so sympathetic.**

Nobody doubts that, after such a severe blow to its lucrative banking sector, Cyprus will be pushed into a harsh recession. Some sources in the troika tentatively estimate that GDP will shrink by about 10% before any hope of recovery.

Perhaps the biggest question is this: once the banks have been cleaned up and shrunk, **where will Cyprus find economic growth?** The promise of offshore gas deposits is still too uncertain, and tourism may well decline if Russians suddenly find the island to be less hospitable to their money.

Whether the euro zone has gained any credibility for this round of clear-eyed decision-making is a different matter altogether.

Klage gegen Finanzausgleich

„Ja zur Solidarität, aber Nein zur Ungerechtigkeit“

25.03.2013 · Die Ministerpräsidenten Seehofer und Bouffier sprechen von einem „Akt politischer Notwehr“: Bayern und Hessen haben ihre Klagen gegen den Länderfinanzausgleich beim Bundesverfassungsgericht eingereicht. 74,70

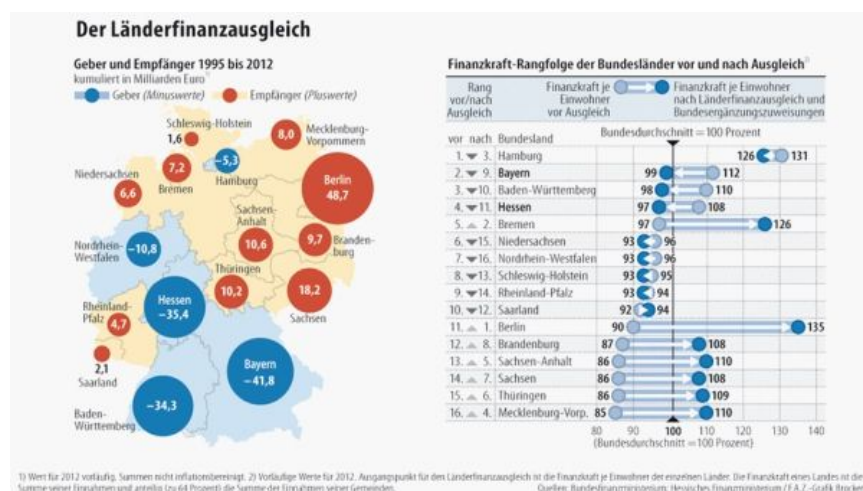


© dpa Einig in der Klage gegen den Länderfinanzausgleich: Bayerns Ministerpräsident Horst Seehofer, Finanzminister Markus Söder (beide CSU) und Wirtschaftsminister Martin Zeil (FDP, r.)

Der Länderfinanzausgleich muss vom Bundesverfassungsgericht in Karlsruhe überprüft werden. Bayern und Hessen reichten ihre seit langem angedrohte Klage gegen das bestehende Ausgleichssystem am Montag ein. Der bayerische Ministerpräsident Horst Seehofer (CSU) und sein hessischer Amtskollege Volker Bouffier (CDU) sprachen von einem „Akt politischer Notwehr“. Das gegenwärtige System sei ungerecht und leistungsfeindlich und müsse reformiert werden. Gespräche mit den Nehmerländern hätten keine Lösung gebracht - deshalb bleibe nur die Klage. Die beiden Geberländer hatten ihre Klage auf einer gemeinsamen Kabinettsitzung Anfang Februar in Wiesbaden beschlossen.

Im Jahr 2012 wurden insgesamt 7,9 Milliarden Euro umverteilt. Davon zahlte Bayern etwa die Hälfte und Hessen rund 1,3 Milliarden. Berlin war mit 3,3 Milliarden der größte Empfänger. Baden-Württemberg als zweitgrößtes Geberland beteiligt sich nicht an der Klage. Größtes Nehmerland war Berlin mit rund 3,3 Milliarden 2012.

_ 1/3 _



Konkret halten Bayern und Hessen unter anderem die geltende Stadtstaatenregelung für verfassungswidrig. Dabei werden die Einwohner von Berlin, Hamburg und Bremen stärker gewichtet als die Einwohner von „normalen“ Großstädten wie München. Zudem sei es nicht Aufgabe des Länderfinanzausgleichs, die Hauptstadtfunktion Berlins zu finanzieren. Vor allem aber beklagen Bayern und Hessen fehlende Leistungsanreize. Dadurch werde die Gerechtigkeit des Ausgleichssystems erheblich infrage gestellt, argumentieren sie.

„Wir sagen Ja zur Solidarität, aber Nein zur Ungerechtigkeit“, sagte Seehofer. Bouffier sagte in Wiesbaden, Hessen wolle einen gerechten und leistungsorientierten Finanzausgleich zwischen den Ländern: „Wer sich anstrengt, muss auch etwas davon haben.“

Die Opposition hält die Klage für Wahlkampfgetöse, weil das geltende System ohnehin bis 2019 neu geordnet werden müsse und die Klage deshalb zeitlich nichts bringe. Seehofer und Bayerns Finanzminister Markus Söder (CSU) schlossen aber nicht aus, dass das Bundesverfassungsgericht sofort eine „klare Entscheidung“ trifft und nicht erst einen Verhandlungsauftrag an die Länder ausspricht. Sowohl in Bayern als auch in Hessen sind im September Landtagswahlen.

„Absolute Zwangslage“

Seehofer bezeichnete die Klage abermals als völlig unausweichlich - er sprach von einer „absoluten Zwangslage“. Es würde an Untreue gegenüber den bayerischen Steuerzahlern grenzen, wenn die Staatsregierung das geltende System weiter untätig hinnehmen würde. Er könne dies mit seinem Amtseid nicht mehr vereinbaren.

Seehofer sagte, es sei „blauäugig“, wenn jemand nach den ergebnislosen Gesprächen mit den Nehmerländern weiter auf eine Verhandlungslösung setze. „Wir lassen uns jetzt nicht durch weiter ergebnisloses Reden vom Handeln abhalten - ich kann das nicht.“

Schleswig-Holsteins Finanzministerin Monika Heinold (Grüne) kritisierte dagegen: „Probleme löst man nicht durch wechselseitige Klagen, sondern durch Gespräch. Die Grünen-Politikerin erklärte am Montag in Kiel. „Der aktuelle Finanzausgleich ist von allen Ländern gemeinsam beschlossen worden und gilt noch bis 2019.“ Schleswig-Holstein hatte 2012 160,5 Millionen Euro durch den Finanzausgleich erhalten. „Wir sind gerne bereit, über eine sachgerechte Neustrukturierung des Finanzausgleichs ab 2020 zu reden“, sagte Finanzministerin Heinold. „Für bayerisches und hessisches Wahlkampfgetöse stehen wir aber nicht zur Verfügung.“

03/25/2013 01:17 PM

Lessons from Cyprus

Euro Crisis Poses Grave Dangers to EU Unity

Cyprus has been saved. But the euro zone may ultimately be the biggest loser. The tough negotiations clearly demonstrated that Europe's north and south no longer understand each other -- and the political differences could soon become more dangerous than the currency crisis. By SPIEGEL Staff

It has been only four weeks since German Chancellor Angela Merkel had nothing but nice things to say about her "very esteemed" counterpart in Cyprus. In a telegram to newly elected President Nicos Anastasiades, she "warmly" congratulated him on his election victory and wrote that she looked forward to their "close and trusting cooperation."

That was then, as Merkel conceded last Friday in a speech to the parliamentary group of her center-right Christian Democratic Union (CDU) at the Reichstag in Berlin. Although her intent was not to set an example, she said, Germany also would not "give in." She added that there would be "no special treatment" for Cyprus. And over the weekend, she lived up to her word.

The island republic in the eastern Mediterranean is about as economically significant as the German city-state of Bremen, and yet the attention of citizens and politicians alike was focused on the debt-ridden country on the continent's periphery last week and through the weekend. Since Cypriot parliament rejected the initial bailout plan, one crisis meeting followed the next in Berlin, Frankfurt and Brussels as concepts were presented, revised, rejected and resubmitted. In the end, the European Central Bank (ECB) imposed an ultimatum on the country. The message from ECB President Mario Draghi was that either Cyprus agree to the bailout conditions or it could be the first member of the euro zone to declare a national bankruptcy.

In the end, Nicosia agreed. The country's oversized banking industry is to be radically downscaled, one of its biggest banks, Laiki, is going to be dissolved and those holding accounts there will see volumes over the €100,000 insured limit potentially vanish. A worsening economy will almost certainly be the result. The deal came just a day before the ECB ultimatum -- a cessation of emergency liquidity for the country's banks -- was set to become reality, a move that would have resulted in a messy crash of the country's financial system.

Smoldering and Flaring

Despite the deal, Cyprus was making preparations for the reopening of banks this week. Financial institutions there have reportedly hired extra security in preparation for an onslaught of furious customers. For the last several days, they experienced what it's like for a country to literally run out of money. Many service stations only accepted cash, and some kiosk owners closed up shop when they ran out of cash to make change. Bank machines over the weekend were only giving out €100 per day, per customer.

Smoldering and flaring for the last three years, the euro crisis has reached a new stage. For the first time, a parliament rebelled against the requirements of international creditors, and for the first time euro-zone taskmasters tried to take a slice of the savings of ordinary citizens, prompting people throughout the continent to wonder whether their money is still safe. The unprecedented showdown led many in Europe to speculate over the national character of the Cypriots, and wonder: Are they especially jaded, desperate or simply nuts?

Finding the right answer was the perplexing task for leaders in Brussels, Paris and Berlin. How far can one bend to demands from a teetering country like Cyprus without losing one's credibility? At what point does a

debt-ridden country endanger the entire financial system, and why can allowing it to go bankrupt still be the right approach? Finally, how does one rescue a country that doesn't want to be rescued?

It was a matter of risk and confidence, of European solidarity and of Merkel's crisis management. In recent months, the chancellor seemed to have stopped the impending collapse of the common currency with her recipe of aid in return for reforms. Investors had calmed down, capital was flowing back into southern European economies and in recent weeks German Finance Minister Wolfgang Schäuble (CDU) seemed as relaxed as the markets.

But a monetary union, at its core, is not held together by budget figures or austerity programs, nor by the statements of finance ministers and the heads of central banks, no matter how well-received they are in the markets. The most important glue holding together a monetary union is the mutual confidence of its members, and that has declined drastically in recent months. While many in the north question the willingness of politicians in Rome and Athens to bring about reform, citizens in the south are increasingly furious over the austerity diktats from Berlin, Brussels and Frankfurt.

Different Planets

There are predetermined breaking points all across the continent, but they are more apparent in Cyprus than anywhere else. Lawmakers in Berlin see the small country as a haven for the illegal money of wealthy Russians that urgently needs to be shut down. In contrast, island residents see themselves as the innocent victims of a ruthless bailout policy. Cypriots and other Europeans spent nine months in Brussels hammering out a solution to the crisis, but all the while it seemed as if they were living on different planets.

Seen in this light, the debacle over the debt-ridden island nation is more than just another financial crisis along Europe's southeastern edge. It is emblematic of the entire monetary union. If the euro zone collapses, it will be because of both its economic contradictions and its members' inability to reach agreement. Last week, European politicians involved in the bailout were calling Cyprus a "special case." And perhaps it is. But there was a very real danger that the crisis on the island could have ultimately become the straw that broke the euro's back -- a back which is still fragile indeed.

Depending, of course, on who you listen to. Klaus Regling, head of the euro bailout fund European Stability Mechanism (ESM), has been giving presentations around the globe for months. Last Monday, he stood on a small stage at the Friedrich Ebert Foundation in Berlin, exuding indefatigable optimism. The euro zone is on a difficult path, Regling admitted, but "relevant data shows that the strategy is working."

Those in the audience were shaking their heads in disbelief, but the 62-year-old allowed the facts to speak for themselves. His slides showed colorful graphs indicating how much debt-ridden euro-zone member states had cut spending in recent years. Both Italy and Spain have packages of cuts and tax increases worth dozens of billions of euros in recent years.

Long-Overdue Reforms

Thanks to an aggressive consolidation strategy, many of the hardest hit countries have managed to drastically reduce their budget deficits. Greece, for example, has managed to reduce its deficit by almost 10 percentage points relative to gross domestic product within three years, a record among the world's developed countries. Were Germany to have done the same, some €250 billion in federal, state and municipal spending would have had to have been cut.

In addition to the austerity measures, governments across the Continent have tackled long-overdue reforms. Portugal eased access to previously protected professions and eliminated some holidays and vacation days. Spain relaxed protections against employee termination. In Greece, the government reduced the minimum wage by almost a quarter, and by a third for younger workers. The government in Rome raised the retirement age.

Even more importantly, these policies produced the desired results. Throughout Southern Europe, citizens have purchased fewer imported goods and exports have risen. Current account deficits in Southern European

countries have declined to just a few percent of their GDPs. These countries are even exporting more goods now than they were before the crisis began.

"To be honest, I sometimes don't understand why this progress is often not noticed in Germany," says Regling.

The problem is that while Europe has become more economically harmonized, it is drifting apart politically. The reforms have made the southern part of the continent more competitive, but people are not necessarily benefiting from these economic successes. On the contrary, unemployment remains at record high levels, and poverty is on the rise. At the most recent EU summit, outgoing Italian Prime Minister Mario Monti spoke of a "time lag."

Monti knows what he's talking about. That time lag after all explains why he was unceremoniously voted out of office a month ago. Monti claims that, even though he explained his policies at length, anti-European forces won the Italian elections.

Yet people are turning away from Europe in almost all countries that have suffered economic upheaval recently. Anti-austerity protests are increasing again in Greece, even though the government hasn't even implemented certain reforms yet. Social conflict is likewise on the increase in Spain, where half of all young people are now unemployed and the government of Prime Minister Mariano Rajoy is under fire because of a corruption scandal. In France, President François Hollande has seen his popularity drop to a new low -- to the point that he has been overtaken in the polls by right-wing extremist National Front, Marine Le Pen.

Deep-Seated Mistrust across Euro Zone

The anti-European mood in the south, in turn, has spurred the euro-skeptics in the north. Many Germans, Finns and Dutch long felt that Mediterranean countries were incapable of economic reform. As proof, they can now point to Italy's election winners, Beppe Grillo and Silvio Berlusconi, both of whom are publicly contemplating a withdrawal from the common currency.

There is deep-seated mistrust in all of Europe, but the suspicions run particularly deep between the Germans and the Cypriots. For months, the euro-zone leaders sought a solution for the debt-ridden country, but in the end the country still lacked €5.8 billion of the €7 billion it was supposed to contribute to its own bailout.

One of the primary hurdles is the Cypriot conviction that they are more victims of the crisis than they are perpetrators. After all, the main reason their largest banks are in trouble is that Europe ordered a debt haircut for Greek government bonds, many of which were held by Cypriot banks.

Now they feel like laboratory rats, say the Cypriots. They are convinced that the kind of bank account levy conceived of for depositors in Cyprus would never have been attempted on any other euro-zone member state. The prevailing feeling is that because Cyprus is small and weak, Europe felt it could get away with it.

The Cypriots were quick to assign blame. A cartoon in the Cypriot daily *O Phileleftheros* portrayed Merkel, Schäuble and International Monetary Fund (IMF) President Christine Lagarde as Huns with their swords drawn. A journalist with the same paper referred to as "fascist" Schäuble's characterization of the Cypriot business model as "no longer sustainable."

The German finance minister has become a symbol of the almost insurmountable differences between the Mediterranean country and Germany. "Unfortunately, the mutual perception of our countries is totally distorted," complains a Cypriot diplomat who lived in Germany for a long time. "Nowadays the German public only associates us with money laundering, the Russian mafia and oligarchs."

Victims or Perpetrators?

No Cypriot disputes that the island is a safe haven for foreign capital from around the world. They are convinced, however, that their country's business model differs only slightly from those of other financial centers like Ireland, Luxembourg and Great Britain. Island residents find it outrageous that Schäuble views

Cyprus's low-tax model as a failure while a number of German companies profit from precisely that model. For instance, of the 80 foreign shipping companies in the port city of Limassol, 36 are German and only three are Russian.

"Many see Cyprus as nothing but a problem island that is bringing down the euro zone," says Andreas Athinodorou, who runs a tax and corporate consulting business in Nicosia. Last Wednesday, Athinodorou received more than 200 emails from concerned investors who "wanted to know whether their money is still safe with us, and yes, I was able to reassure them," he says. The "Cypriot business model," with the lowest corporate tax rate in the EU, will remain in place for now, says Athinodorou.

But that is precisely what Germany wanted to prevent. Berlin sees the Cypriots not as innocent victims but as being largely responsible for their current predicament. It is, after all, true that Cypriot banks lured billions into the country with low taxes, attractive interest rates and lax regulation -- and much of that money came from dubious sources. Cyprus was known for the fact that no one wanted to know exactly where the money had come from.

Late last year, a report by the BND, Germany's foreign intelligence agency, attracted attention when it portrayed Cyprus as a hub for money laundering. Wealthy Russians in particular, were attracted to the favorable conditions and invested billions in Cyprus, often circumventing the Russian tax collector. According to the BND, 80 Russia oligarchs have sheltered their money on the island.

But citizens of other countries, especially Great Britain, also value Cypriot discretion. There is about €70 billion deposited in savings accounts with Cypriot banks. More than half of that, €39 billion, is in accounts with balances in excess of €100,000. European leaders were anxious to trim the island's banking sector to tolerable levels as quickly as possible. But Nicosia was keen to keep its financial industry intact.

Rigidity in Berlin

That desire goes a long way toward explaining President Anastasiades' stubbornness during the negotiations. To protect his banks and their major foreign investors, he initially opposed the Euro Group's plan to introduce a mandatory levy on savings deposits to bridge the funding gap. Ultimately, he acquiesced, but insisted that small deposits also be levied, only to claim afterwards that the hardliners from Germany had supported the inclusion of ordinary savers. In fact, it was Anastasiades who had insisted that large investors be protected as much as possible.

European leaders were astonished when, last Tuesday, not a single member of the Cypriot parliament voted in favor of the bailout package that included the one-time levy on deposits: 6.75 percent for accounts worth between €20,000 and 100,000, and 9.9 percent for those above that level.

Veteran European politicians also attribute the failure of the deal to the rigid position of the German government. "Other countries also have legitimate interests, which isn't sufficiently appreciated in Germany," says Luxembourg Foreign Minister Jean Asselborn. "We also accept that Germany sells a disproportionate number of weapons. In return, Berlin could show a little more understanding for the special situation of smaller countries."

Meanwhile, Berlin rejects all blame for the debacle, saying that those who don't want to be rescued simply cannot be helped. The ESM and the IMF cannot contribute more than the proposed €10 billion in bailout loans, says Berlin, arguing that this is the only way to achieve a debt level of 100 percent of GDP by 2020, as the IMF requires.

For this reason, the troika and the German Finance Ministry also discarded the Cypriots' proposed solution last week, which was to establish a bailout fund, using government and church property as collateral, which could then issue bonds independently. But critics unanimously agreed that the construct would simply amount to Cyprus taking on additional debt. "The proposal is worthless," sources associated with the troika said bluntly.

The Haves and the Have Nots

Instead, the ECB stepped in last Thursday, acting with unprecedented severity in giving a member state an ultimatum. Had Cyprus not submitted to the EU bailout program, the ECB would have cut off funding on Tuesday. To reinforce the threat, the ECB promptly froze its liquidity aid at the current level of €11.4 billion.

Even Southern European countries, normally in favor of generosity, agreed with the hard-line position. And the threat worked, with the Cypriot parliament and other leaders working tirelessly to come up with a deal.

Still, the real loser in the Mediterranean game of poker was the euro zone. Once again, leaders have demonstrated their inability to balance the interests of the currency union "haves" with those of the "have nots." Depositors, for their part, learned that legal protections on their savings accounts are not as concrete as they thought. And international financial markets learned that the term "systemically relevant" is extremely relative.

German Chancellor Merkel has likewise not emerged unscathed. In much of Europe, her image is that of an overbearing, heartless know-it-all who cares little for the suffering of average people. And at home, voters were likewise less than impressed. In the most recent public opinion polls, her Christian Democrats have lost two percentage points of support.

BY SVEN BÖLL, CHRISTIAN REIERMANN, MICHAEL SAUGA, CHRISTOPH SCHULT, ANNE SEITH and DANIEL STEINVORTH

Translated from the German by Christopher Sultan

03/25/2013 01:33 PM

Euro Bailouts

Savers Be Warned - Your Money's Not Safe

A Commentary by Armin Mahler

74,77

Germans are right to be worried about their savings because the euro bailouts will make most of them poorer in the long term -- through higher inflation and lower payouts from life insurance and pension schemes. Why can't crisis-hit nations follow the Cypriot example and make rich depositors pay a share?

Nearly half of all Germans fear for their savings -- and with good reason. At times like these, the only thing that is certain is that nothing is certain.

Not even savings accounts are safe, as was recently seen in Cyprus. Such deposits are actually guaranteed to up to €100,000, but the euro rescuers cared little about this as they desperately searched for funds. Cypriot small savers may have escaped this time around, but the realization remains, even beyond Cyprus, that a state teetering on the edge of bankruptcy will resort to all available means to raise money -- and a guarantee is only worth something as long as the entity that stands behind it remains solvent.

Nothing is safe from being seized by the state, no savings account, but also no house or apartment. The Germans experienced this after World War II, when they were charged an extra real estate tax in the form of compulsory mortgages. Governments have even banned the possession of gold during currency crises, forcing citizens to exchange the precious metal for the national currency.

So far, people in the debt-ridden countries of the euro zone haven't had such levies imposed on them. But why not? According to a recent study by Germany's central bank, the Bundesbank, for instance, Spaniards hold more wealth, on average, than Germans.

Greece and Cyprus have millionaires and billionaires of whom many profited from the artificial boom fueled by low interest rates after the introduction of the euro -- a boom that subsequently went bust. Why shouldn't they help finance efforts to deal with the aftermath? Is it fairer to place the burden on the euro bailout fund, and thus distribute it among the taxpayers of other countries?

The Benefits of Levying Assets

A levy on assets would immediately reduce the debts of crisis-stricken countries, whereas bailout packages pool risks and shift them to the future.

Those risks can become dangerously explosive. The more countries that have to be bailed out, the fewer countries remain that have to bear the burden -- as long as they are able to. This could even prove to be too much for Germany at some point.

There is no reason to panic. But Germans should be concerned. After all, the bill for managing the euro crisis will ultimately have to be paid, and they will have to shoulder a large portion of this.

If the bailout fails, the bill will be enormous. But no one should succumb to the illusion that the mission won't cost anything if it succeeds.

Germans' savings are already shrinking in real terms because the European Central Bank (ECB) has flooded the market with money and lowered interest rates to nearly zero. Many Germans have already noted with dismay

that their life and retirement insurance policies will pay out much less than what was originally promised. Many of them now realize that they will have to tighten their belts when they retire.

Financial Repression

Economists have a term for this form of creeping expropriation: They call it financial repression. Actually, given the current situation, it's amazing that only just under half of all Germans are worried about their money.

Things could actually get worse when the large quantity of money that the ECB is printing to finance the euro rescue starts to drive up prices. An annual inflation rate of only four to five percent, which economists say is entirely probable, would reduce people's savings by 50 percent within just 15 years.

But while inflation eats up savings, it also reduces debts. You don't have to be a conspiracy theorist to suspect that this is precisely what many politicians are hoping for. After all, how else should the euro countries, but also the US, Britain and Japan, ever shrug off the crushing weight of their debts?

The outlook is grim for savers, who are caught in a trap. Only genuinely wealthy individuals can place their money in the hands of a fund manager, who can spread the risk and find safe havens by investing on different continents and in different types of assets.

Not surprisingly, some people will emerge from the euro crisis having increased their assets, or at least maintained them -- while the vast majority will be significantly poorer.

Translated from the German by Paul Cohen

MAIN FOCUS

Bailout deal for Cyprus reached

The Euro Group finance ministers and the Cypriot government agreed on a ten billion rescue package on Sunday night, averting state bankruptcy for Cyprus. In return the country must downsize its banking sector and involve it in the bailout programme. Some commentators fear a Europe-wide capital flight. Others stress that Iceland got back on its feet after taking similar measures.

Il Sole 24 Ore - Italy

Fifth bailout a bad omen

Brussels has managed to ensure that the banks, and by extension the savers, make a major contribution to Cyprus's bailout, the liberal-conservative business paper Il Sole 24 Ore notes, voicing its suspicions: "Is it really acceptable that in this fifth bailout of a Eurozone country whose economy is insignificant, but which is nonetheless a tax haven, Europe is shattering the trust of savers and sacrificing the free movement of capital, one of the main achievements of the single market? As in Greece's case the answer will no doubt be that Cyprus is an exception and won't set a precedent. But precisely because the Cyprus crisis has followed hot on the heels of the Greek crisis this is difficult to believe. And it will also be difficult to prevent the capital flight - not just from Cyprus but from Europe and in particular the ailing economies, including Italy. Cyprus's bailout threatens to be followed by a pan-European disaster. You can't play with people's trust and get away with it; especially not in an increasingly eurosceptic Europe. Unless the hidden intention was a roundabout approach to beginning with the selection of new euro partners." (25/03/2013)

De Volkskrant - Netherlands

Cyprus should look to Iceland

The fears of collapsing banks and widespread distrust among investors that have spurred on the Cyprus bailout may be unfounded, the left-liberal daily De Volkskrant notes, pointing to the example of Iceland: "[Not Iceland's taxpayers](#) but the non-insured major investors from abroad had to pay for the banking crisis. ... Iceland was declared insane. Giving foreign investors the finger? People said this would be the island's Armageddon, that no investor would ever trust the country again. The crisis that ensued was profound: unemployment rose to ten percent, some lost their homes, around one hundred new taxes and restrictions on moving capital abroad were introduced. ... The financial sector was subject to sweeping measures: high-ranking bankers deemed responsible for the mismanagement were [called to account mercilessly](#). But now the country is [recovering](#) and international trust in the state has been restored." (25/03/2013)

De Tijd - Belgium

Nicosia's huge problems are home-made

Cyprus's plight is home-made, the business daily De Tijd stresses: "In the past ten days the bill for Cyprus has grown. The balance of trade and budget are both very much in deficit, and the bankruptcy of its second-largest bank has become inevitable. But in reality time has been ticking away since November 2011, when the European Commission put pressure on the Government in Nicosia to seek help for the country's banking sector. It was already [clear then](#) that despite the massive influx of Russian money, the Cypriot banking sector was bound to collapse. The cracks in Cyprus's economic defence shield were ignored for too long. The weaknesses of its economy were never addressed. If there is a universal lesson to be learned from Cyprus's bailout, it's that one can't always blame Angela

Phileleftheros - Cyprus

Criminal politicians and cowardly citizens

The criminal EU politicians, the cowardly Cypriot leaders or the apathetic citizens - the liberal daily Phileleftheros doesn't know whom to be more angry at: "Our own politicians as well as the foreign ones have been toying with our nerves for a week now, as if they weren't just dealing with citizens without rights but with animals who aren't capable of rational thought and act only on instinct. ... No one doubts that the troika and its well-wishers have been waiting round the corner to put a [knife to our throats](#). But the people's anger and despair at this dishonourable and criminal behaviour on the part of our EU partners is being reinforced by the actions of our own political and economic leaders. ... The fact that they haven't been able to agree on joint, sensible decisions only intensifies the anger. ... On the other hand one is surprised at the apathy with which the Cypriot people observe the events. Instead of adopting the role of protester, the majority have chosen the role of observer." (25/03/2013)

Kurier - Austria

EU should have cooperated with Russia

The Cyprus crisis would have been a chance for the EU to cooperate with Russia in tackling tax evasion by rich Russians, the liberal daily Kurier writes: "Vladimir Putin is certainly not the 'flawless democrat' that former German chancellor and Gazprom lobbyist Gerhard Schröder makes him out to be. Nevertheless he is the elected president of Russia. Political rapprochement will now only take place on the economic level. ... Russia has [strategic interests](#), and it makes no bones about formulating them. The EU should have its own interests, and should come out and express them clearly as well. Respect for human rights is one of the cornerstones of the European Union. But it's more expedient to point this out when Russia and the EU are working together. It's certainly not in Putin's interest for oligarchs to export illicit earnings abroad. Cyprus provided the opportunity for successful cooperation and joint action against tax evaders. But perhaps it's not too

Cyprus and the euro: crisis island

No small nation in the eurozone can look on without drawing appropriate lessons about what this means for them

- Editorial 74,80
- [The Guardian](#), Sunday 24 March 2013 22.16 GMT

In the summer of 1783, an eruption at the edge of [Europe](#) triggered chaos for an entire continent. In Iceland, lava and toxic gas from the Laki volcano devastated agriculture, killed livestock and caused a famine. But as the dust and sulphur particles were carried over the northern hemisphere the disruption was felt from Norway to Egypt. In Britain, the naturalist Gilbert White reported: "The heat was so intense that butchers' meat could hardly be eaten on the day after it was killed." Years after its haze had passed, Laki's effects were still being felt: as [the historian Greg Neale has written for this paper](#), the volcano's explosions helped cause the food poverty that was a key factor in the French Revolution of 1789.

Over the past week, the world has been transfixed again by a disaster on a small island on the periphery of Europe. This catastrophe is in [Cyprus](#), rather than Iceland, and rather than being natural is all too man-made. But as if to prove that history really does rhyme, [one of the two main banks at the heart of this crisis is called Laiki](#). And the resonances don't stop there.

Having been landed with yet another country's banking crisis, the rest of the eurozone is understandably keen to get it resolved and move on. The general tenor of this week's communications from the troika of the European commission, the European Central Bank and the IMF has been that Cyprus is a tiny economy with some idiosyncratic problems that cannot be read into the rest of the [euro](#) area. That same weariness was discernible in Brussels on Sunday, as Nicosia and the troika engaged in [those familiar euro eleventh-hour negotiations over a bail-out package](#) (a result, declared German finance minister, Wolfgang Schauble, "depends on the people in Cyprus having a somewhat realistic view of the situation"). But even if the troika's leaders get their wish, the ripples from this fiasco over an economy worth only 0.2% of the euro area's GDP will be felt for a long time to come. Because what is on show here, yet again, are some deep-rooted weaknesses in the organisation of the single-currency club, the competence of some of its key brokers, and even the European economic model.

As officials in Cyprus will tell you, the island's problems only really took off after their banks were hit by massive write-offs on holdings of Greek bonds. Those write-offs were negotiated by Athens with the troika and the problems they would pose for Cyprus were evident. Yet, amazingly, [European officials did next to nothing to shore up the island's financial system](#). There was ample time to protect savers with Cypriot banks and to restructure the institutions. Despite a decade of existence and a 17-nation membership, even over the smallest crisis the euro area just cannot do collective action.

The troika has treated Nicosia with a toughness and a thoughtlessness that it would not apply to bigger and less peripheral nations. This is not a new trend – Madrid's Mariano Rajoy was treated more respectfully in his bailout dealings than Athens's George Papandreou – but it was massively extended last weekend, in [the initial agreement to raid the bank accounts of ordinary Cypriots](#). And the troika's imposition of austerity will probably sink the island into a Greek-style depression.

No small nation in the eurozone can look on without drawing appropriate lessons about what this means for them if they ever land in trouble. The introduction of capital controls may be an essential precaution for Nicosia, but it will surely be seen by international investors as a threatening precedent in an economic bloc, one of whose main purposes is the free flow of capital. There is a clear implication here about euro-hypocrisy. Those European politicians and bureaucrats now tut-tutting over Cyprus's outsize banking sector were cheering it into the euro just five years ago. If the troika gets its way, the Laiki disaster will soon approach an end. But like the namesake volcano, its historical half-life will surely be much longer.

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Cyprus: they make a desert and call it peace

By [Jeremy Warner](#) [Economics](#) Last updated: March 25th, 2013

74,81



And the grand mufti of financial and economic policymaking wonder why people have lost all faith in them. This is what Christine Lagarde, managing director of the International Monetary Fund, had to say overnight about the Cypriot settlement. “We believe the plan provides a durable and fully financed solution to the underlying problems facing Cyprus and places it on a sustainable path to recovery”.

How anyone could make such a statement with a straight face is a mystery to behold, for none of its claims bear scrutiny. Durable? How can this be durable when it offers no way out of the economic ruin that the single currency has visited on the island?

Fully financed? In the narrow sense that the €10bn of bailout money is now on the table, when previously it wasn't, this may be true, but does anyone honestly believe this is going to be enough to put Cyprus and its banks back on their feet?

Nor is there a snowball's chance in Hades of the Cypriot economy being able to shoulder even this comparatively limited addition to the national debt. Further significant default at some stage in the future already looks inevitable.

Sustainable path to recovery? Yes sure, if you count an immediate 5-10 per cent collapse in output and massive surge in unemployment as a sustainable path to recovery. Under this deal, Cyprus is, in effect, kissing goodbye to one of the mainstays of its prosperity and growth – finance. It's a bit like saying that closing down the City of London would put the UK on a sustainable path to recovery. Many might welcome the death of finance, but the impact on output, tax revenues, employment and public services would be devastating. The same is likely to be true in miniature of Cyprus.

Now of course it is not all the Troika's fault. Negotiations have been going on for more than a year. Had Cyprus agreed terms at an earlier stage, they would not have been nearly so bad. Cyprus has in many respects been its own worst enemy.

Yet the particularly harsh nature of the eventual settlement has little to do with the specific nature of the Cypriot problem. The reality is that Cyprus has fallen victim to bailout fatigue in Germany, where with national

elections looming in September, the main political parties have been in open competition with each other to make an example out of this tiny little island. Germany attitudes to the single currency have hardened. Haircutting depositors, particularly if they are big, Russian and suspected of tax evasion and money laundering, became a policy aim in itself. Angela Merkel, the German Chancellor, has publicly admitted as much, by saying that Cyprus's offshore banking model is no longer acceptable to Berlin.

The euro has so far survived all predictions of its demise, so it's a brave man who says Cyprus marks the beginning of the end. Battled hardened eurozone policy makers regard it as just another unfortunate but necessary fatality on the long march to successful monetary union.

The US, they have taken to pointing out, had many such setbacks along the way in making the dollar into the world's premier reserve currency. It scarcely needs saying that in the US, political and fiscal union preceded dollarisation, whereas in Europe they are doing it the other way around. This is a fundamental difference which continues to make the chances of success look somewhat doubtful.

In any case, in order to "sustain" this "fully financed solution", Cyprus is having to impose capital controls to prevent flight of capital. These are technically illegal among eurozone countries for a very obvious reason. Once you prevent the free flow of capital within a monetary union, it ceases to be a single currency area. Cyprus is, in effect, establishing a new national currency, only without the benefits of devaluation.

By punishing those who put their faith in the solidity of the euro as a single currency, the eurozone has crossed a line and in the process poisoned Europe beyond redemption. Not since the second world war has anti-Germany feeling been so acute. Where's the solidarity in a bailout which imposes such "solutions" on its member states? Jonathan Portes of the National Institute of Economic and Social Research has already used this quote from Tacitus to characterise the eurozone crisis, but I can think of none better, so here it is again. "They make a desert and call it peace".

Think Tank: Cyprus 'Saved'; But At What Cost?

Submitted by [Tyler Durden](#) on 03/25/2013 09:51 -0400

74,83

Authored by Raoul Ruparel, originally posted at [Open Europe blog](#).

The most positive aspect of [last night's deal](#) was that a deal was reached at all, and that some steps have been taken to counter moral hazard. However, overall, this is a bad deal for Cyprus and the Cypriot population. Cypriot GDP is likely to collapse in the wake of the deal with the possible capital controls hampering the functioning of the economy. The large loan from the eurozone will push debt up to unsustainable levels while the austerity accompanying it (along with the bank restructuring plan) will increase unemployment and cause social tension. There is a strong chance Cyprus could become a zombie economy – reliant on eurozone and central bank funding, with little hope of economic growth. Meanwhile, the country will remain at the edge of the single currency as tensions increase between members with Germany, the ECB and the IMF now looking intent on a more radical approach to the crisis.

The eurozone took this one [down to the wire](#). But late last night, after a week of intense back and forth negotiations, a deal was reached on the Cypriot bailout. Below we lay out the key points of the deal (the ones that are known, there are plenty of grey areas remaining) and our key reactions to the deal.

Key points of the deal:

- Laiki bank will be fully resolved – it will be split into a good bank and bad bank. The good bank will merge with the Bank of Cyprus (which will also take on Laiki's circa €8bn Emergency Liquidity Assistance – a last-resort funding system outside the usual ECB operations). The bad bank will be wound down over time with all uninsured depositors (over €100,000) taking significant losses (no percentage yet but some could lose all their money above the threshold).
- The Bank of Cyprus will be recapitalised using a debt to equity swap and the transfer of assets from Laiki. Uninsured depositors will take large hits in this process – again no percentage but reports suggest up to 40%.
- These actions will be taken using the new bank restructuring plan passed in the Cypriot Parliament on Friday. Crucially, no further vote will be needed in the Cypriot parliament since there is no direct deposit levy.
- The banks will not receive any of the €10bn bailout money, the entire recapitalisation will be done using the tools outlined above.
- Not clear when the banks will reopen but significant capital controls are likely to be in place, creating a risk of Cypriot euros being “localised”.
- Further tax increases may be included in the detailed plan to be drawn up between the two sides.

What does this deal mean for Europe?

1. Europe once again sidestepped democratic procedure to secure a deal: By removing the deposit levy and forcing losses on depositors through the bank restructuring the eurozone was able to dodge a tricky second vote in the Cypriot Parliament. Although the bank restructuring proposals were approved in the Parliament on Friday, it is not clear that all Cypriot MPs were fully aware of how far the restructuring tools could be pushed. However, it's likely that the final deal that will actually activate the bailout loan – the Memorandum of Understanding – will need approval of the Cypriot Parliament, so there may be another vote yet to come. Parliamentary approval is not guaranteed but voting it down would again be close to a vote to leave the euro.

2. A change in tack from Germany and the ECB: Germany has [made it clear](#) that it is no longer willing to foot the bill for extensive bailouts without the recipient country taking a share of the burden and making some radical changes. The ECB, by setting an ultimatum, has signalled that it is willing to use the significant leverage and control which it has to force what it sees as the desirable outcome, meaning it is becoming an increasingly political actor (which its mandate does not allow). In combination with the sense of unfairness that has been

built on all sides, this could serve to entrench the North-South standoff in the Eurozone, making future talks trickier.

3. Will the Troika break up? Reports overnight and throughout the week have shown that this relationship has become increasingly strained, particularly between the IMF and the European Commission. Some strains were visible also over the Greek debt sustainability analysis, but looks to be far worse this time around. With Germany and the northern countries insistent on the IMF's continued involvement there could be further conflict. Any future bailout deals will likely remain strained because of this.

What does this deal mean for Cyprus?

1. Despite avoiding taxing small depositors, political upheaval looks likely: Although the most controversial aspect of the original plan was dropped there will likely be some political fallout. Ultimately, the government in Cyprus has been shown up by the crisis, with both the Finance Minister and President reportedly threatening to resign at various stages. Furthermore, the bank restructuring will likely cause significant unemployment.

2. The standard of living and the wider economy could collapse: Cyprus' position as a financial centre could be over. There are few other alternatives for growth. One option that remains is tourism, but with a significantly overvalued currency it is not clear to what extent Cyprus can take advantage of this. The capital controls will severely hamper liquidity in the economy, while it will be very difficult for the small island to trade with the rest of the world (it is far from self-sufficient). The collapse in GDP could be anywhere between 5% and 10% this year, depending on how long capital controls are imposed, while the resulting collapse in tax revenue could make the government's position worse. There is a strong chance Cyprus could become a zombie economy – reliant on eurozone and ECB funding to function, possibly requiring further bailouts.

3. The capital controls will keep Cyprus teetering at the edge of the euro: As [we noted](#) over the weekend, these controls are severe and could de facto lead to Cyprus being seen as out of the euro. Ultimately, money is no longer fungible between Cyprus and the rest of the Eurozone and, at this point in time, it's hard to argue that a euro in Cyprus is worth the same as a euro elsewhere. The real problem though may not be imposing the controls but removing them – Iceland still has capital controls in place, five years after it installed them (despite having the advantage of a devalued currency).

4. Is Cypriot debt sustainable? A key goal throughout these negotiations has been to make Cypriot debt sustainable (unlike under the Greek bailouts). We do not believe this has been achieved due to the likely collapse in GDP noted above. A €10bn bailout will push Cypriot debt to GDP to 140% - if Cypriot GDP falls by just 5% this year, that rises to 148%.

What is the geopolitical fallout of this deal?

There is yet to be a clear reaction from Russia but Russian depositors are likely to be hit hard by this deal. Russia's First Deputy Prime Minister Igor Shuvalov has suggested today that an extension of the €2.5bn loan given to Cyprus is not guaranteed – something which the eurozone indicated was necessary last night. Separately, Russia remains the key energy supplier for most of the EU and has already issued veiled threats around this deal – such as a withdrawal of money from the EU and a switch-away from euro currency reserves.

Central banks once again dodge losses:

Overnight it became clear that the ECB and IMF were insistent that the ELA must be moved from Laiki bank to the Bank of Cyprus as part of the deal. The main reason for this must be to avoid the Cypriot Central Bank taking losses on the ELA, which would have been counterproductive as it would have to have been recapped by the Cypriot government, a cost which would need to be added to the bailout bill. This episode does highlight that the assets pledged as collateral at the ELA are basically worthless and that avoiding central bank losses will always be a key objective in any bailout negotiations. Worryingly, once the banks reopen (capital controls notwithstanding) money will likely flow out, leading to an increase in ELA and reliance on central bank funding.

Are there any positives from this deal?

- The main positive is that a deal was finally reached, the alternative would likely have been messy for the eurozone and the EU.
- There is some reduction in moral hazard, since those who invested in the large undercapitalised banks are footing the bill – as opposed to all depositors.
- Some trust in terms of the deposit guarantee below €100,000 may have been restored.
- Senior bank bondholders in Laiki and possibly Bank of Cyprus will be bailed in (taking losses) – although this may not raise much cash, it is the correct order in which to restructure the banks.

These small points will provide little comfort as the Cypriot population endures the harsh reality of rising unemployment, fiscal consolidation, private sector stagnation and internal devaluation, all while under stringent capital controls.

Euroscepticism in Germany

Silent no more

A new political party is the first to call openly for scrapping the euro

Mar 23rd 2013 | BERLIN | [From the print edition](#)

74,86



REUTERS A new party says Nein to bailouts

AS FOUNDER of a new Eurosceptic party, Bernd Lucke, an economics professor, is among the most controversial figures in Germany. The website of his Alternative for Germany party went online this month. Its first gathering is in April, and it has until the summer to collect up to 2,000 signatures in each of Germany's 16 states in order to get on the ballot for the federal election in September.

Supported by an impressive list of fellow professors, Mr Lucke has three main goals. The most urgent is an "orderly dissolution" of the euro, with a return to national currencies or to new, smaller and more homogenous currency blocks. He wants a decentralised European Union with less bureaucracy and more emphasis on the single market. He favours more direct democracy, with Swiss-style plebiscites.

In its own mind, the Alternative is classically liberal in philosophy and otherwise pro-European. Mr Lucke argues that the euro, far from being the "peace project" that was intended, nowadays causes strife among Europeans. Cyprus is a case in point. Starting when the "no-bail-out clause" in the EU treaties was first ignored in 2010, successive euro rescues have in his view broken rules and undermined the single currency beyond repair.

Anywhere else such a voice might count as just another in the political spectrum. Not so in Germany, where any form of Euroscepticism remains taboo. The German media, ever vigilant against creeping populism or right-wing extremism, are now applying a magnifying glass to the party's supporter lists. That is "grotesque," snaps Hans-Olaf Henkel, a former head of Germany's main industry association, who supports the Alternative.

"We are not fishing on the left or right," insists Frauke Petry, a member of the party's board. Membership applications are being screened to ferret out potential extremists, even though this slows down the party's growth. Around 4,000 people have become members since March 7th. They are coming from across the political spectrum, says Mrs Petry.

Even if the Alternative qualifies in time, hardly anybody expects it to reach the 5% needed to enter the Bundestag. But the election looks increasingly likely to be a tight race between the centre-right coalition of Chancellor Angela Merkel and the centre-left opposition. Since the Alternative appeals most directly to disillusioned voters on the centre-right, its mere appearance on ballots could prove to be "incredibly dangerous for Mrs Merkel," says Mr Henkel. He points to a state election in Lower Saxony in January, where Mr Lucke

ran as a candidate for another mildly Eurosceptic party, the Free Voters, which got barely over 1%. In a race that hinged on a few hundred votes, this mattered.

It would be undemocratic to obstruct a new party because of such tactical considerations, says Michael Wohlgemuth, the director of Open Europe Berlin, a Eurosceptic think tank. A large minority of Germans—one in four, according to one recent poll—are unsupportive of the euro. So far, Mrs Merkel has presented rescue efforts as “alternative-less.” Sooner or later, something called an Alternative for Germany was bound to come along.

Official Europe's Reaction Is Mixed

By [DAVID JOLLY](#)

PARIS — Financial markets, which had begun the day buoyant Monday after Cyprus reached a late-night bailout agreement with international lenders, headed downward as the day wore on and investors and analysts began to digest the terms of the deal.

Reaction from European capitals was mixed. German officials greeted the deal with relief and sought to reassure Cypriots. But Russia's prime minister, Dmitri A. Medvedev, decried it as "stealing," referring to the provisions for a bank tax that could fall largely on Russian depositors.

Even so, the Russian president, Vladimir V. Putin, instructed his government to reopen negotiations with the Cypriots to restructure a €2.5 billion, or \$3.2 billion, loan that Russia provided to the island nation in 2011. Talks on extending the repayment period had broken off last week, as Moscow awaited the outcome of the bailout negotiations between Cyprus and the European Union.

In Athens, a government spokesman said the deal was "painful" but necessary, while the president criticized the European Union for taking too tough a line with the Cypriot government.

Casting a negative light were remarks by the Dutch finance minister, Jeroen Dijsselbloem, who heads the Eurogroup of finance ministers that helped forge the bailout pact. In an interview with Reuters, Mr. Dijsselbloem said the Cyprus bailout could be a new template for resolving regional banking problems by shifting more risk to depositors and stakeholders.

"What we've done last night is what I call pushing back the risks," Mr. Dijsselbloem said, according to Reuters.

Of the 17 euro zone members, Cyprus, Greece, Ireland and Portugal have all received bailouts since the [sovereign debt crisis](#) began. The deal announced Monday marked the first time that junior and senior bondholders, as well as large depositors, have been required to bear part of the pain — possibly setting a precedent for any future bailouts.

Yields, or interest rates, on Italian and Spanish government debt, had started that day down, but later rose. That movement, indicating an increase in the governments' borrowing costs, were a sign that investors may be nervous that Cyprus's problems could have a contagion effect in other financially challenged euro zone countries.

European stock markets closed down for the day. The Euro Stoxx 50, a benchmark of euro zone blue chips, ended off 1.2 percent, while the main French index, the CAC 40, was down more than 1 percent. The German DAX was down 0.5 percent.

U.S. stocks, which had opened moderately higher, also gave back those gains.

Cypriot markets were closed Monday for a public holiday, leaving officials just one day to nail down critical details before banks were to reopen Tuesday.

Late in the European day on Monday, Cypriot officials said that while most of the country's banks would reopen on Tuesday for the first time in more than a week, the two biggest ones — which are most subject to the terms of the bailout deal — would not remain closed until Thursday. That was a further sign that kinks still needed to be worked out in the plan to prop up those institutions.

The bailout deal will eventually lead to Laiki Bank, a troubled lender, being shut down, with its “good” assets being absorbed by Bank of Cyprus, the nation’s largest. Junior and senior bondholders would take losses, as would depositors in the bank with accounts holding more than €100,000. Foreign depositors, including Russians and Britons, hold an outsized share of the uninsured deposits.

Accounts of less than €100,000 would be protected. Outrage over the original bailout plan, which would have included a hit on insured deposits, contributed to Parliament’s rejection of the deal and caused fears across Europe that the conditions for bank runs were being created by short-sighted policy.

The agreement ensures, crucially, that the [European Central Bank](#) will continue providing funding to Cypriot banks. The E.C.B. had turned up the pressure last week, setting a Monday deadline for a deal and saying it would no longer provide the low-interest loans on which the island’s banks depend if a deal were not reached. The accord early Monday should remove any possibility of a near-term catastrophe.

European finance ministers said in a [statement](#) that the program would address the exceptional challenges that Cyprus is facing and restore the viability of the financial sector, with the view of “restoring sustainable growth and sound public finances over the coming years.”

Chancellor Angela Merkel of Germany made an unusually lengthy statement on Monday in which she sought to reassure the Cypriot people by underlining the agreement’s aim to protect smaller savers and provide Cyprus with a stable future.

“I think that we were able to achieve a fair division of the burden,” Ms. Merkel said. “We have always said that we do not want taxpayers to save the banks, but the banks must save themselves.”

Ms. Merkel pledged that Cyprus’s European partners would support the country through loans worth €10 billion in the coming years. “That means that the I.M.F. and European taxpayers are helping Cyprus to start down a new path,” the chancellor said.

Whether the soothing words from Berlin would be enough to convince Cypriots, and citizens of other smaller and beleaguered European countries, that German leaders actually have their best interest at heart remains to be seen. Experts have argued in recent days that an overall loss of trust in those leaders previously seen to be managing the crisis could remain a troubling element of collateral damage resulting from the mishandling of the first rescue package for Cyprus.

The German finance minister, Wolfgang Schäuble, looking as exhausted as he did relieved, said Monday the deal encompassed everything that Germany had “believed was right all along,” naming the restructuring of Cyprus’ banks, introduction of standards against money laundering and increased transparency.

“I think it is a good result,” Mr. Schäuble told reporters in Berlin. He described the talks as long, difficult and intense, but praised the resulting agreement as fair to all parties involved.

Senior officials in Russia, however, responded with sharply critical assessments of the agreement.

“They keep stealing from the thieves, it seems to me,” Prime Minister Dmitri A. Medvedev said, in comments carried by the Interfax news agency that were a paraphrasing of a Russian revolution-era slogan used to describe expropriating the wealth of the rich.

Mr. Medvedev, speaking in a meeting with a deputy prime minister, Igor Shuvalov, said the consequences of imposing losses on depositors should be studied carefully.

The restructuring of the two largest Cypriot banks may well cost Russian depositors more than the bank tax would have. The exact loss will not be known for some time. Estimates, though, range from 30 percent to 60 percent of the value of large deposits in the most wobbly of the two banks, Cyprus Popular Bank.

Mr. Shuvalov, the deputy prime minister, saw a silver lining in the losses, saying the crisis would encourage Russians to keep money at home. “It is a signal,” he said, to bring money home. “We have very stable banks,” he said, Interfax reported.

There were mixed reactions in Greece, with the fragile coalition government issuing cautious messages of solidarity with the Cypriot government and the president, who has significant influence but limited executive powers, criticizing the European Union for its tough treatment of Nicosia.

Greece’s government spokesman, Simos Kedikoglou, indicated that the agreement was a necessary evil. “It is painful, but it averts the descent into chaos that a disorderly default and an exit from the euro zone would have brought,” he said, noting that the focus now should be on “helping Cyprus stand back on its feet.”

President Karolos Papoulias, speaking at a military parade in Athens to mark the 192nd anniversary of Greece’s independence from Turkish rule, said the Cyprus bailout was “unacceptable because it is selective.”

“The European Union must not choose its victims,” he said, “because it is dashing the dreams of European people that the E.U. can provide a shelter for the weak.” He added that he hoped this message was “received in all major capitals, and especially in Berlin.”

Melissa Eddy in Berlin, Andrew E. Kramer in Moscow and Niki Kitsantonis in Athens contributed reporting.

Daily chart

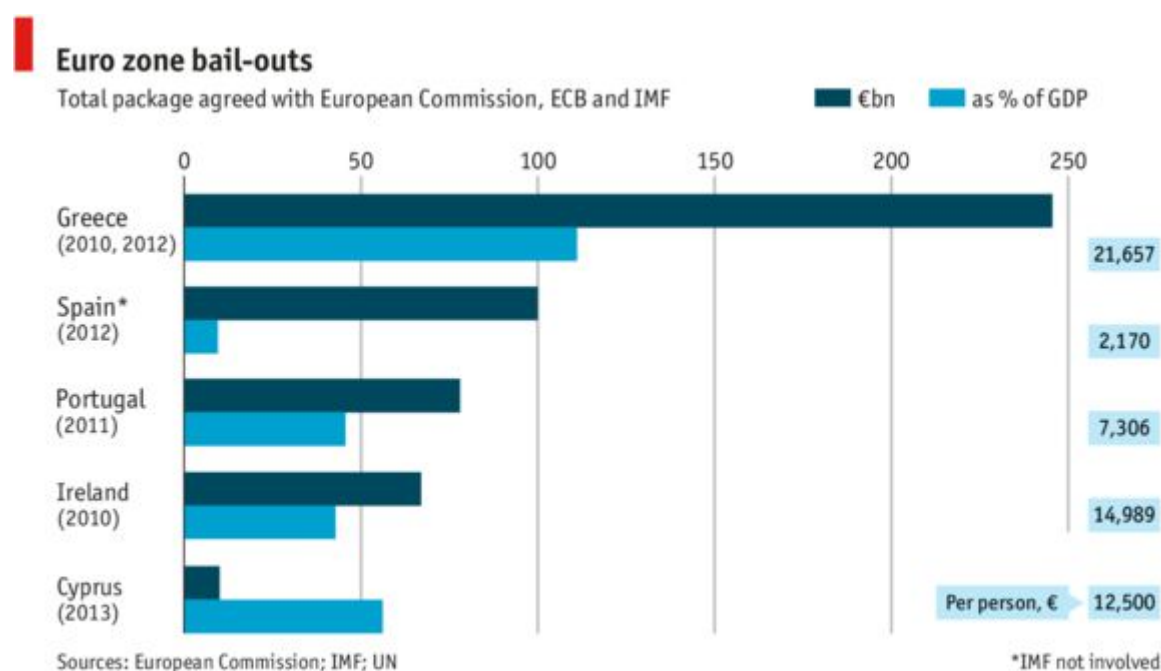
To the rescue

Mar 25th 2013, 17:43 by Economist.com

74,91

The Cyprus bail-out in context

THE Cyprus bail-out package [agreed on March 25th](#) between the European Commission, European Central Bank and the IMF is the fifth euro zone rescue operation in three years. At €10 billion (\$13 billion), or €12,500 for every person on the island, it is tiny compared with the previous deals in Greece, Ireland and Portugal, and the partial bail-out for Spain's banks. Greece's two bail-outs together amounted to €246bn, more than 110% of its gross domestic product. But the Cyprus deal is the first to impose a levy on country's bank deposits: all those over €100,000 will be hit. One thing certain is that the island's financial woes are far from over. What the [fall-out](#) will be for the euro area, however, is less clear.



The euro crisis

Coming soon to uninsured deposits near you

Mar 25th 2013, 15:18 by R.A. | WASHINGTON

74,92

ON THE subject of euro zone fragility and the impact of the Cyprus incident on broader confidence in the single currency, an [exhibit](#). Fresh off negotiating the Cyprus deal Jeroen Dijsselbloem, the Dutch finance minister and head of the "Eurogroup" of euro-zone finance ministers, said in comments to Reuters and the *Financial Times* that:

A rescue programme agreed for Cyprus on Monday represents a new template for resolving euro zone banking problems and other countries may have to restructure their banking sectors...

In other words, Cyprus is absolutely a unique case, BUT if trouble should come to banking sectors elsewhere in the euro zone hitting uninsured depositors would seem a sensible way to go. Alternatively: rich Spaniards, Italians and so on should perhaps think about moving money in excess of deposit guarantee limits elsewhere.

And with that, equities flipped from positive to negative on the day, and European bank stocks tumbled. It could just be that traders are antsy today. But euro-zone officials should at least consider the possibility that the barrier holding back a raging contagion from Cyprus might not be particularly thick.

At any rate, one has to respect the European commitment to ensuring journalists don't put too positive a spin on things.

Zyperns Krise Rettungs-Chaostage

25.03.2013 · Durch ihr Agieren stellt die Eurogruppe selbst die Legitimität von Zyperns „Rettung“ infrage. Und: Ihre stümperhaften Rettungsversuche haben das Vertrauen in die Sicherheit von Euro-Bankkonten zerstört.

Von [Holger Steltzner](#)

74,93



© dpa

Grübeln: Eurogruppen-Chef Jeroen Dijsselbloem (l.) und EU-Währungskommissar Olli Rehn (r.)

Wovon soll Zypern nach seiner „Rettung“ leben? Auch weil sie keine Antwort darauf wissen, haben sich Zyperns Politiker mit Händen und Füßen gegen die Forderung der Eurogruppe gewehrt, Aktionäre und Gläubiger der Banken an den Kosten der Abwicklung oder dem Auffangen der beiden großen zyprischen Banken zu beteiligen. Das geschieht jetzt und das ist gut so. Den Schaden haben die Steuerzahler in Finnland oder Slowenien nicht angerichtet. Nun müssen wenigstens zum Teil diejenigen für die Kosten überdimensionierter Banken aufkommen, die jahrelang in Form hoher Zinsen und niedriger Steuern davon profitiert haben.

Damit wird das Ende des fragwürdigen Geschäftsmodells Zyperns als Oase für Fluchtgeld und Steuervermeider besiegelt. Die Folgen für Zyperns Wirtschaft werden dramatisch sein, die Bevölkerung wird lange daran zu tragen haben. Aber wie soll das Land jemals seine Kredite zurückzahlen?

Das Geschäftsmodell Zyperns war schon beim Euro-Beitritt bekannt

Dabei war das Geschäftsmodell schon 2007, beim Eintritt des Landes in die Währungsunion, allgemein bekannt. Doch die EU-Kommission schloss die Augen, ebenso die EZB, die selbst dann noch die zyprischen Zombiebanken mit Notfallkrediten am Leben erhielt, als klar war, dass die beiden Banken nicht bloß in einer Liquiditätsklemme steckten, sondern zahlungsunfähig waren. Jetzt schränken die „Retter“ den freien Kapitalverkehr ein und setzen damit eine Grundfreiheit des europäischen Binnenmarkts außer Kraft. Wenn nur noch Kapitalverkehrskontrollen die Eurozone zusammenhalten, mag man sich gar nicht ausmalen, was noch alles kommen kann.

Die stümperhaften Rettungsversuche der Eurogruppe haben das Vertrauen in die Sicherheit von Euro-Bankkonten zerstört. [Indem zunächst auf Einlagen zyprischer Kleinsparer zugegriffen werden sollte](#), sandte man das verheerende Signal aus, die Forderungen von Banken, Hedgefonds und anderen Großanlegern seien schützenswerter als das Geld des kleinen Sparers. Erst sollten Kleinanleger geschröpft werden, um Großvermögen aus dubiosen Quellen zu schützen. Dann sollten sogar Rentenansprüche der Zyprer geplündert werden.

Jeder Euro-Bankkunde weiß nun, dass sein Sparbuch nicht sicher ist

Nach diesen Rettungs-Chaostagen weiß jeder Euro-Bankkunde, dass sein Sparguthaben nicht sicher ist, dass es sich bei Bankeinlagen nicht um sein persönliches Guthaben, sondern um einen Kredit an die Bank handelt. Und dass die Eurogruppe in einer Krise am Wochenende das Geld konfiszieren kann. Ein größerer Vertrauensschaden ist kaum denkbar.

Wer soll der Europäischen Zentralbank noch ihre Beteuerung abnehmen, sie betreibe Geldpolitik, wenn sie einem Staat die Pistole auf die Brust setzt? Ihr Ultimatum, Zypern in die Insolvenz zu schicken, wenn die Forderungen der Eurogruppe nicht erfüllt werden, ist alles - nur nicht Geldpolitik. Wie passt das eigentlich zur Warnung der EZB vor dem [angeblichen Systemrisiko](#), mit der die Hilfe für Zypern erzwungen worden ist?

Warum musste überhaupt der Euro-Steuerzahler helfen?

Es stellt sich die Frage, warum angesichts von Einlagen in Höhe von rund siebzig Milliarden Euro auf Zyperns Banken überhaupt der Euro-Steuerzahler mit zehn Milliarden Euro helfen soll. Gelassen haben die Finanzmärkte auf das Rettungschaos reagiert. Das beweist: Von Zypern geht keine systemische Gefahr aus. So stellt die Eurogruppe selbst mit ihrem unglücklichen Agieren die Legitimität der „Rettung“ infrage. Denn nach den Regeln für den Einsatz des neuen Europäischen Stabilitätsmechanismus muss der finanzielle Beistand nicht nur für das Land selbst, sondern für die „Gewährleistung der Stabilität des Euroraums insgesamt“ notwendig sein. Mal sehen, wie die Bundesregierung den Bundestag davon im Fall Zypern überzeugen will.

Man sollte endlich damit beginnen, den Euro-Steuerzahler wieder aus der Haftung zu entlassen, anstatt ihm entgegen der EU-Verträge noch mehr Risiken von Banken und überschuldeten Staaten der Eurozone aufzubürden. Die Währungsunion war nie als Transferunion gedacht, in der ständig Banken, Hedgefonds und Großanleger rausgehauen werden. Dieses böse Spiel wollen die Euro-Wähler nicht länger mitmachen, wie der Ausgang der jüngsten Wahl in Italien zeigt.

Ausgerechnet die EZB gießt Öl ins Feuer

Öl ins Feuer gießt ausgerechnet die EZB. Vor Jahren hat sie eine Studie zum Vermögen der Europäer in Auftrag gegeben, von der sie heute nichts mehr wissen möchte. Doch ein Teil der Daten ist bereits bekannt. Nach Angaben der Bundesbank ist ein typischer spanischer Haushalt mehr als dreimal so reich wie ein deutscher. Das Median-Haushaltsnettovermögen liegt hierzulande bei 51.400 Euro, verglichen mit 114.000 in Frankreich, 164.000 in Italien und 178.000 Euro in Spanien. Wie zu hören ist, sollen auch Zyperer im Vermögen in Europa vorne liegen.

Gilt die Losung von Bundeskanzlerin Merkel, nur wer solide wirtschaftet, erhalte solidarische Hilfe? Oder verteilt die Eurozone von Solide zu Unsolide, von Arm zu Reich, vom Steuerzahler zum Steuervermeider um? Bevor deutsche Politiker die Vergemeinschaftung aller Euroschulden durch Eurobonds und obendrein höhere Steuern und Vermögensabgaben in Deutschland fordern, sollten sie über die Vermögensverteilung in Europa reden.

Quelle: F.A.Z.

Cyprus: “This is the start of the Road to Calvary”

25 March 2013

[O Phileleftheros](#) Nicosia

74,95



[Bojesen](#)

In an open letter to his compatriots, a Cypriot scientist calls on the citizens of the island to show patriotism, and to roll up their sleeves for an independent initiative to save their banking system, so that they can turn the page as quickly as possible on the aid plan negotiated on 25 March in Brussels.

[Emmanuel Lioudakis](#)

Today I feel the need, greater than ever, to write a few lines to express my feelings, to try to gather together the fragments of the dignity of this people left in shambles by the imposition of [intolerable measures](#) by our partners in the European Union (EU).

Thousands of Cypriots woke up this morning and, instead of setting about their daily tasks, felt a huge vacuum. Their country, Cyprus, is no more. Abdicating to the dictates of the troika (IMF, EU and ECB), our island vanished off the map a few weeks before Easter, at the start of Lent. Disgust, shame and disappointment are some of the things I feel. [What has become of our pride](#), our dignity, our strength in opposition?

If we have found ourselves on the brink of the abyss, though, it is in large part because of our own sins. We are to blame for [this debacle](#), because we abandoned the management of our affairs to the troika and the technocrats of the Eurogroup. The destruction of the banking system will lead to the disappearance of our state. People will lose their jobs, and their efforts to build a better life will come to nothing. Their pensions, scraped together over a lifetime, will be doomed to the same fate as their deposits – snatched by our European “friends”. With friends like them, who needs enemies?

The soul of the Hellenes

What will become of the thousands of employees who will lose their jobs and whose salaries are taken hostage by debts? Most will be sacked without any compensation. What will happen to the banks? Are they going to reopen? How many will survive this nightmarish week? The questions are many. In the end, we’re left exhausted, worn out from waiting for others to decide our future in our own land.

That is why I want, through these lines, to address myself to my compatriots, to simple people, and ask them to take up this goal of straightening out our banking system or order to see the troika depart and our ties of solidarity redefined. It is now that we must show our patriotism. We must show that the soul of the Hellenes does not bow down so easily to foreign diktats. Our souls are enraged and our fists are clenched. We are already

[looking high and low for the responsible ones](#), and I am sure we will find them. In these crucial hours, we must be united. We must come to the aid of our country and stand up against the enemy. Yes, as if we were at war again. Believe me, it is a war that we are seeing, just one fought by other means. Our compatriots in the diaspora can help us by reaching into their pockets. We must help our state get back on its feet. Because this is just the beginning of a long road to Calvary. Patience and courage to all.

On the web

- [Original article at O Phileleftheros](#) el
- [L'article du Cyprus Mail](#) en

Comment

Farewell to tax haven Cyprus

“To put it simply,” [writes](#) the *Cyprus Mail* shortly after the [agreement](#) between the international backers and Nicosia’s government on the €10bn bailout plan –

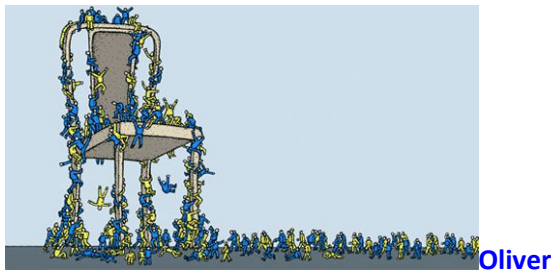
... the Troika has potentially vaporised the Cypriot-based financial services sector and undermined its status as a tax haven, a deliberate act, which aimed to police the wilder shores of capital flow in and out of Europe. But it was also aimed at shoring up the tax base of EU member states as they came under pressure from their own citizens to maintain comprehensive welfare systems as well as place a cap on future tax rises. [...] The financial services sector may now prove dead in the water and the tax haven status of Cyprus has been swiftly and comprehensively compromised. This is not only because corporation tax has risen but the world now knows if you want to hide money and avoid taxes Cyprus is the last place to do business. If you have money to hide, you are not going to park it in Cyprus any more. [...] The Troika have now administered a shock to that system but with no attempt to suggest how a different course of economic development could proceed from here.

European Union: Politics turns back to the Athens agora

25 March 2013

[La Repubblica](#) Rome

74,97



The institutional and European democratic crises are pushing leaders towards tricky choices in terms of governability. Would it not perhaps be better to move toward new forms of participation that better match citizens' needs?

[Barbara Spinelli](#)

“No experiments! Keine Experimente!” said Chancellor Konrad Adenauer to the German people. That was in 1957. After the defeat of Adolf Hitler, a solid democracy was born and yet there was something narrow-minded and inappropriate in this warning that was addressed to a defeated population, which had succumbed to the most horrendous of experiments only years before. In the depths of the German mind, this fear of experimenting has not gone away.

But today the situation is totally different in both Italy and in Europe. The crisis has unmasked nation states as being powerless and democracy is in tatters everywhere. Politicians and citizens are out of touch with each other, with the former shut away in their lairs and the latter desperate to be heard. Unless we see ourselves as having been beaten, now is precisely the time for experiments in democracy. It is time to ditch the conventional ways of doing things that politicians and journalists continue to hang on to out of laziness and convenience. Manuel Castells [wrote](#) in *La Vanguardia* on March 2: “Innovate or die”.

The custodians of the old order can't see the link between the various crises: the economic, European, climatic and democratic problems. The citizens' complaints are not sinking in, even if the signals are clear. Representative democracy is like a Titanic that is on the way down.

There is a desert between those who govern and those who are governed with a mirage of representation camped in the middle. The trade unions are weak, the parties worn out and the press is serving those in power more than readers.

But in this vacuum there are citizens who want to rouse from their slumber, test out other paths and restart democracy. Today, Italy is at a precipice, teetering but not toppled. The new beginning called for by Castells will not generate a government. The first changes will take time to come through. Meanwhile, those attached to their old habits will lament the ungovernability of the country. And from the 1970s they have been busy being afraid and not seeing the cracks that are splitting apart the stability that they say they crave.

Ungovernability is not new

In Europe, we've seen a spectacular case of ungovernability. It's the case of Belgium. For 541 days, between June 2010 and November 2011, the country had no government. Quickly it became clear that it was not just a squabble between Flanders and Wallonia. The very structure of representative democracy was crippled. The

Belgian experience is instructive because of its negative effects but also the passion of those who transformed it.

In the 18 months of stasis, the caretaker government ruled, with a straight face, with its obsolete majority. It approved a belt-tightening budget in 2011 and held a six-month European presidency in 2010. It even took part in the Libyan war. In Italy it would be like extending Monti's stay: a unsatisfactory result for those who won at the ballot box by promising to “innovate or die”. The nation states are collapsing. Europe is not yet a federation of solidarity and the status quo is safe and sound. The lack of government creates an unheard of power, freer vis-a-vis the sovereign people: it's a bit like the automatic pilot that, according to Draghi, protects stability from the “excess” of citizen demands.

But the Belgian experience has also produced major novelties. Aware that democracy was at play, citizens made their move. They began to experiment with the structures of the ancient Greek agora, and the Popular Action that goes back to "actiones populares" of Roman law: Citizens can push for their interests, not their personal ones but those of the community. And as they are the holders of sovereignty in democracy, they will be the ones to invent measures focussed on the common good. There is no other way to defeat real anti-politics: the predominance of the markets and austerity that impoverishes without reducing debts and divides Europe.

We are the state, says Beppe Grillo's Five Star Movement in Italy. And the idea of the movement emerged from the Belgian lack of government. It is called [G1000](#) and emerged during this period of ungovernability thanks to four people; an archaeologist, a sustainable economy expert, a political scientist and an actress). The first summit of the 1000 was held on November 11, 2011, in Brussels. The founding manifesto makes a list of the flaws in representative democracy and suggests remedies.

End of the status quo

It is not about destroying representation, the delegation of powers or “taking the parties' job away”, they say in their manifesto. What needs to come to an end is the status quo: the hijacking of the institutions by the parties and – in the age of the internet – traditional journalism. “In all fields, innovation is encouraged except in democracy. Companies, scientists, sports people and artists have to innovate but when it comes to organising society we still go back, in 2011, to the 19th Century.”

It is one of the first European examples of deliberative democracy. Deliberating is about discussing and then deciding and, according to the manifesto of the G1000, it is more effective than referendums: “In a referendum, you're limited to voting whilst you need to talk and listen too in a deliberative democracy.” The postmodern idea of acting in a communicative way, as thought up by Habermas in 1981, is taking shape. The phenomenon is continental and not just Italian. It is hoped that it will have its influence in the European Parliament elections in May 2014. It is hoped that the future head of the Commission, who will sit with the austerity troika, will be chosen by the citizens.

It's difficult to experiment and to start again. Even representative democracy was difficult to achieve as was proposing universal suffrage in the 19th Century. The only thing that cannot be done is to say no to the experiments, behaving as though you are defeated like Adenauer. Real experiments, those that use people as the means and constitutions like rags, are taking place in Greece, which is mired in austerity, or in Cyprus, where stability means ransacking the bank accounts of the citizens, whether they're rich or not.

What else can be done if not experiment with what the active citizenry are asking to be tested. It would be ungovernable to continue to see their demands as “excessive”.

If the pope is going back to his roots by calling himself Francis, maybe it is also time not to confuse the latter with the vanquished. Maybe it's time to go back to the agora of Athens and to the People's Action of ancient Rome.

Meanwhile, Cash Exodus From Cyprus Surges Despite Bank Closures, Capital Controls

Submitted by [Tyler Durden](#) on 03/24/2013 18:24 -0400

74,99

When Cyprus put its banks into lockdown last weekend until... well indefinitely, now that capital controls are established, the main reason was to halt all capital outflows from the henceforth liquidity starved island whose banks will only exist as long as the ECB provides an ever greater dose of liquidity to account for the collapse in deposit funding. Which is why it is surprising, make that shocking, that as Germany FAZ reports, in the past week there has been a surge in cash outflows from Cyprus, even as its financial system has been supposedly *ringfenced* from the world, which by the way is **the only thing** preventing the EUR17 billion bailout from soaring by orders of magnitude because should a liquidity leak be discovered, it is all over for the country's financial system.

From [FAZ](#), google translation edited:

Despite the closed banks and a lock for payments in the past week, **more money flowed out of Cyprus than in previous weeks, Frankfurter experts report for payments.** Prior to the escalation of the crisis in Cyprus accruing on the payment system Target liabilities of Cypriot central bank to the European Central Bank (ECB) had increased daily at approximately 100 to 200 million euros. In recent days was after Parliament the stabilization program initially had to fail, **the daily has risen to more than double. Just in the last week so could cash assets have been withdrawn from Cyprus in the billions, although the Cypriot central bank has actually issued a lock.**

...

Broad exemptions from capital controls

A few days ago, the Cypriot Fed made aware of the payments was interrupted. In the official announcement, which in these cases are quite common exceptions, however, are very broad. **Allowed are transfers of humanitarian aid, those are not received financial stability is at risk, and "special payments", which are not defined in detail. The unusually high outflows from Cyprus in recent days indicated but then, that the central bank in Nicosia control rather liberally interpret, some analysts suspected for payments.**

How is it possible that cash is leaving the country even with a bank halt? It isn't, unless of course, the banks aren't really halted, and some outbound wire transfers, which are permitted, are more equal than other wire transfers which are stuck on the island. Of course, that would imply an "Europe Farm" type of arrangement, which in the bastion of fairness, equality and honesty which is Europe, would be absolutely impossible.

On the other hand, if indeed the drain of the Cypriot banking system has continued despite all the enacted halts during the past week, then it's game over for Cyprus, which will soon have only the ECB to thank for providing liquidity, an arrangement that may not be the best long-term outcome for a nation whose economy has basically been gutted in the span of one week.

It also means game over for the bailout as envisioned, as the EUR17 billion is history, and much more cash will have to be injected to cover for the stealth outflows.

Of course, in what is now a Pandora's Box experiment in kicking the box, nothing could possibly surprise us. After all, even in a worst case scenario, there are GETCO algos doing the bidding of the BIS and literally bidding up the EURUSD to such levels as allow everyone to ignore the absolute terminal disaster that has happened in Europe in the past week.

Have The Russians Already Quietly Withdrawn All Their Cash From Cyprus?

Submitted by [Tyler Durden](#) on 03/25/2013 17:00 -0400

74,100

Yesterday, we [first reported on something very disturbing](#) (at least to Cyprus' citizens): despite the closed banks (which will mostly reopen tomorrow, while the two biggest *soon to be liquidated* banks Laiki and BoC will be shuttered until Thursday) and the capital controls, the local financial system has been leaking cash. Lots and lots of cash.

Alas, we did not have much granularity or details on who or where these illegal transfers were conducted with. Today, courtesy of a follow up by Reuters, we do.

The result, at least for Europe, is quite scary because let's recall that the primary political purpose of destroying the Cyprus financial system was simply to punish and humiliate Russian billionaire oligarchs who held tens of billions in "unsecured" deposits with the island nation's two biggest banks.

As it turns out, these same oligarchs may have used the one week hiatus period of total chaos in the banking system to transfer the bulk of the cash they had deposited with one of the two main Cypriot banks, in the process making the whole punitive point of collapsing the Cyprus financial system entirely moot.

From [Reuters](#):

While ordinary Cypriots queued at ATM machines to withdraw a few hundred euros as credit card transactions stopped, **other depositors used an array of techniques to access their money.**

No one knows exactly how much money has left Cyprus' banks, or where it has gone. The two banks at the centre of the crisis - Cyprus Popular Bank, also known as Laiki, and Bank of Cyprus - have units in London **which remained open throughout the week and placed no limits on withdrawals.** Bank of Cyprus also owns 80 percent of Russia's Uniastrum Bank, which **put no restrictions on withdrawals in Russia.** Russians were among Cypriot banks' largest depositors.

So while one could not withdraw from Bank of Cyprus or Laiki, one could withdraw without limitations from subsidiary and OpCo banks, and other affiliates?

Just brilliant.

And if there was any doubt that the entire process of destroying one entire nation was simply to punish Cyprus, it can be completely cleared away now:

ECB officials contacted Latvia, another EU country that has received large Russian deposits, to warn authorities against taking in Russian money fleeing Cyprus, two sources familiar with the contacts said.

"It was made clear to our Latvian friends that if they want to join the euro, they should not provide a haven for Russian money exiting Cyprus," a euro zone central banker said.

If one thinks there is any material Russian cash therefore left in Cyprus with this epic loophole in place, we urge them to make a deposit in the insolvent nation. One person who certainly will not be allocating any of his money into Bank of Cyprus is German FinMin Schaeuble:

German Finance Minister Wolfgang Schaeuble said the bank closure had limited capital flight but that the ECB was looking closely at the issue. **He declined to provide figures.**

Perhaps because if he did, it would become clear that the only entities truly punished by this weekend's actions are not evil Russian billionaires, but small and medium domestic companies, and other moderately wealthy individuals, hardly any of them from the former "Evil Empire."

Companies that had to meet margin calls to avoid defaulting on deals were granted funds. Transfers for trade in humanitarian products, medicines and jet fuel were allowed.

The stealth withdrawals by Russians of course means that the two megabanks are now utterly drained of capital, and that the haircuts on those who still have unsecured deposits with the two banks will be so big it will likely mean a complete wipeout of all deposits. **As in 0% recovery on your deposits!**

In other words, by now any big Russian funds in Cyprus are long gone, and the only damage accrues to the locals: for one reason because their money over the critical EUR100K threshold has been "vaporized", and for another because the marginal driving force and loan demand creator in Cyprus, the Russians, are gone and are never coming back again.

This is what passes for monetary real-politik in the New Normal - an entire nation becomes collateral when pursuing a wealthy group of people. And the "wealthy group" is victorious in the end despite everything...

If we were Cypriots at this point we would be angry. Very, very angry.

Hot Money Blues

By [PAUL KRUGMAN](#)

Whatever the final outcome in the Cyprus crisis — we know it's going to be ugly; we just don't know exactly what form the ugliness will take — one thing seems certain: for the time being, and probably for years to come, the island nation will have to maintain fairly draconian controls on the movement of capital in and out of the country. In fact, controls may well be in place by the time you read this. And that's not all: Depending on exactly how this plays out, Cypriot capital controls may well have the blessing of the International Monetary Fund, which has already supported such [controls in Iceland](#).

That's quite a remarkable development. It will mark the end of an era for Cyprus, which has in effect spent the past decade advertising itself as a place where wealthy individuals who want to avoid taxes and scrutiny can safely park their money, no questions asked. But it may also mark at least the beginning of the end for something much bigger: the era when unrestricted movement of capital was taken as a desirable norm around the world.

It wasn't always thus. In the first couple of decades after World War II, limits on [cross-border money flows](#) were widely considered good policy; they were more or less universal in poorer nations, and present in a majority of richer countries too. [Britain](#), for example, limited overseas investments by its residents until 1979; other advanced countries maintained restrictions into the 1980s. Even the United States briefly limited capital outflows during the 1960s.

Over time, however, these restrictions fell out of fashion. To some extent this reflected the fact that capital controls have potential costs: they impose extra burdens of paperwork, they make business operations more difficult, and conventional economic analysis says that they should have a negative impact on growth (although this effect is hard to find in the numbers). But it also reflected the rise of free-market ideology, the assumption that if financial markets want to move money across borders, there must be a good reason, and bureaucrats shouldn't stand in their way.

As a result, countries that did step in to limit capital flows — like Malaysia, which imposed what amounted to a curfew on capital flight in 1998 — were treated almost as pariahs. Surely they would be punished for defying the gods of the market!

But the truth, hard as it may be for ideologues to accept, is that unrestricted movement of capital is looking more and more like a failed experiment.

It's hard to imagine now, but for more than three decades after World War II financial crises of the kind we've lately become so familiar with [hardly ever happened](#). Since 1980, however, the roster has been impressive: Mexico, Brazil, Argentina and Chile in 1982. Sweden and Finland in 1991. Mexico again in 1995. Thailand, Malaysia, Indonesia and Korea in 1998. Argentina again in 2002. And, of course, the more recent run of disasters: Iceland, Ireland, Greece, Portugal, Spain, Italy, Cyprus.

What's the common theme in these episodes? Conventional wisdom blames fiscal profligacy — but in this whole list, that story fits only one country, Greece. Runaway bankers are a better story; they played a role in a number of these crises, from Chile to Sweden to Cyprus. But the best predictor of crisis is large inflows of foreign money: in all but a couple of the cases I just mentioned, the foundation for crisis was laid by a rush of foreign investors into a country, followed by a sudden rush out.

I am, of course, not the first person to notice the correlation between the freeing up of global capital and the proliferation of financial crises; Harvard's [Dani Rodrik](#) began banging this drum back in the 1990s. Until recently, however, it was possible to argue that the crisis problem was restricted to poorer nations, that wealthy

economies were somehow immune to being whipsawed by love-'em-and-leave-'em global investors. That was a comforting thought — but Europe's travails demonstrate that it was wishful thinking.

And it's not just Europe. In the last decade America, too, experienced a huge housing bubble fed by foreign money, followed by a nasty hangover after the bubble burst. The damage was mitigated by the fact that we borrowed in our own currency, but it's still our worst crisis since the 1930s.

Now what? I don't expect to see a wholesale, sudden rejection of the idea that money should be free to go wherever it wants, whenever it wants. There may well, however, be a process of erosion, as governments intervene to limit both the pace at which money comes in and the rate at which it goes out. Global capitalism is, arguably, on track to become substantially less global.

And that's O.K. Right now, the bad old days when it wasn't that easy to move lots of money across borders are looking pretty good.

Do Capital Controls Mean Cyprus Has Already Left the Eurozone?

Author: [Tim Duy](#) · March 25th, 2013 · [Comments \(0\)](#) Share This Print 411 4

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Cyprus is in a struggle to save itself, at least the European definition of “save itself,” and remain a Eurozone member. But will Cyprus even use the same euro as the rest of Europe when all is said and done?

After all, banks remain closed in Cyprus, which means a euro in a Cypriot bank has very little value. If you can't spend it, is it really a euro? And even when banks reopen, it is assumed that capital controls will be imposed to prevent euros from leaving the island. So a French euro will be able to purchase goods and services in Germany, but a Cypriot euro will not. It seems then that a Cypriot euro is unambiguously worth less than a French euro.

Thus, there will be two Euros in circulation (if not already). This is the [thesis](#) of blogger Guntrum B. Wolff (ht [Ed Harrison](#)):

The most important characteristic of a monetary union is the ability to move money without any restrictions from any bank to any other bank in the entire currency area. If this is restricted, the value of a euro in a Cypriot bank becomes significantly inferior to the value of a euro in any other bank in the euro area. Effectively, it means that a Cypriot euro is not a euro anymore. By agreeing to this measure, the ECB has de-facto introduced a new currency in Cyprus.

I think this might be right. If I can spend my dollar in Oregon but not in California, it is really the same dollar? I think not.

Is this how the Eurozone experiment will end? Not with a formal “exit,” but with a return to banking dominated by national boundaries and enforced by capital controls? No longer a true common currency, but a dozen currencies sharing the same name, each with a different value?

There will be another banking crisis in Europe (just as a bank will fail in some US state) and depositors are now aware that they are fair game in any crisis response, so capital flight will intensify at an earlier stage in the crisis. As may have been noted, European policymakers find rapid crisis resolution to be something of a challenge, thus accelerated capital flight will necessitate a more rapid imposition of capital controls in the future – and with each round of capital controls, a new sub-euro will be born.

Bottom Line: Europe's response to the Cyprus situation will have long-lasting impacts on the Eurozone experiment itself, none of the good. Indeed, the imposition of capital controls should lead one to wonder if the “solution” to Cyprus is effectively an exit from the Eurozone is everything but name. And don't forget that the crisis also threatens to destabilize [the region geopolitically](#). I don't think that “disaster” is too strong a word in this case.

This piece is cross-posted from [Tim Duy's Fed Watch](#) with permission.

Saving Cyprus Means Nobody Safe as Europe Breaks More Taboos

By Simon Kennedy - Mar 26, 2013 1:01 AM GMT+0100

74,105

The devil lies in the detail of Cyprus's salvation.

Customers line up to withdraw cash from an automated teller machine (ATM) operated by OAO Sberbank in Moscow, Russia, on March 22, 2013. Russian lenders with Cypriot units include OAO Sberbank and OAO Gazprombank, both state-controlled, Otkritie Capital, part-owned by VTB, as well as Aton Capital, UralSib Financial Corp. OAO Promsvyazbank and BCS Financial Group. Photographer: Alexander Zemlianichenko Jr/Bloomberg

March 26 (Bloomberg) -- Philippe D'Arvisenet, chief global economist at BNP Paribas SA, talks about Europe's sovereign debt crisis and the outlook for the euro. Cyprus dodged a disorderly sovereign default and unprecedented exit from the euro by bowing to demands from creditors to shrink its banking system in exchange for 10 billion euros (\$13 billion) of aid. D'Arvisenet speaks in Singapore with Haslinda Amin on Bloomberg Television's "On the Move." (Source: Bloomberg)

March 26 (Bloomberg) -- Stephen Roach, a senior fellow at Yale University and former non-executive chairman for Morgan Stanley in Asia, talks about Cyprus's bailout and the outlook for the European debt crisis. Roach also discusses Japan's central bank monetary policy, and China's new leadership and economic growth. He speaks from Beijing with Susan Li on Bloomberg Television's "First Up." (Source: Bloomberg)

March 26 (Bloomberg) -- John Woods, Hong Kong-based chief investment strategist for Asia Pacific at Citigroup Inc.'s private bank, talks about the economic impact of Cyprus's banking crisis on the rest of Europe. He speaks with Susan Li and Rishaad Salamat on Bloomberg Television's "Asia Edge." (Source: Bloomberg)

The original pact, announced March 16, shocked Cypriots by imposing a levy on all deposit holders. Photographer: Simon Dawson/Bloomberg

A customer speaks to employees through the doors of a closed branch of Laiki Bank, also known as Cyprus Popular Bank Pcl, in Nicosia, Cyprus, on March 22, 2013. Photographer: Simon Dawson/Bloomberg

A man sits and smokes a cigarette while reading a newspaper at a cafe in Nicosia on March 25, 2013. Photographer: Simon Dawson/Bloomberg

The island nation's rescue sets precedents for the euro zone that may stick in the memory of depositors and bondholders alike as investors debate who will next fall victim to the debt crisis. Under the terms of the agreement struck yesterday in Brussels, senior Cypriot bank bond holders will take losses and uninsured depositors will be largely wiped out.

The message that stakeholders of all stripes can be coerced into helping a cash-strapped nation may make investors more skittish they'll be targeted if [Slovenia](#), [Italy](#), Spain or even Greece again is next in line to need help. The risk is that bank runs and bond market selloffs become more likely the moment a country applies for a new rescue, said economists and academics from Nicosia to New York.

“We now have a new type of rule and everyone within the euro zone has to sit down and see what that implies for their own finances,” Nobel laureate Christopher Pissarides, an adviser to the Cypriot government, told “The Pulse” on Bloomberg Television.

[The Stoxx Europe 600 Index \(SXXP\)](#) erased an earlier gain of as much as 1 percent after Jeroen Dijsselbloem, who chaired last night’s meeting of euro region finance ministers, indicated the model used for recapitalizing Cypriot banks could be replicated elsewhere. The euro slipped 0.8 percent to \$1.2890.

Safeguards

Until now, euro region officials had left bank depositors and senior bondholders untouched as they tried to rescue the bloc’s struggling economies in a series of all-night summits over the past three years.

The Irish banking system collapsed partly because its government refused to renege on a guarantee to deposit holders made after Lehman Brothers Holdings Inc. collapsed. In Spain, senior bank bondholders have been safeguarded, unlike investors in the subordinated debt and preferred shares of [Bankia Group \(BKIA\)](#). And in [Greece](#), a restructuring of government debt was set up in a way that avoided default.

[Cypriots Mourn Collapse of Livelihoods as Bailout Crushes Banks](#)

With Cyprus, that tradition has been broken. The original pact, announced March 16, shocked Cypriots by imposing a levy on all deposit holders before opposition led to it being watered down in the final deal to protect holdings of less than 100,000 euros. It also marks the first time that senior bondholders in a euro-region bank have taken losses. In the case of [Cyprus Popular Bank \(CPB\)](#), also known as Laiki Bank, those bond holders will get wiped out.

Cash Strapped

“The Cyprus crisis has opened up some precedents that will make investors more worried about how future euro zone crises will evolve,” said Steven Englander, head of Group of 10 currency strategy at Citigroup Inc. in New York.

[Europe](#)’s crisis fighters are spreading the net wider as taxpayers across northern Europe balk at the cost of rescuing their cash-strapped neighbors. That shows there may be few taboos left, said Charles Goodhart, emeritus professor at the London School of Economics.

“They will swear black and blue that Cyprus is a unique case but so was Greece,” he said in a telephone interview. “You can talk about the inviolability of insured deposits but the problem now is would anyone believe you.”

The first use of capital controls by a euro-area member may also pose a challenge to countries such as Malta, Luxembourg and [Estonia](#) whose banks also boast large foreign deposits, said [Jacques Cailloux](#) and Dimitris Drakopoulos, economists at Nomura International Plc.

Serious Risk

“Fearing a similar fate as those with deposits in Cyprus, there is a serious risk that these depositors decide to reduce their exposure, putting other countries under stress,” they said in a report to clients.

Some spotted silver-linings. Jacob Kirkegaard, a senior fellow at the Peterson Institute for International Economics in [Washington](#), told Bloomberg Television the Cypriot deal marked a “step forward” for Europe by better detailing the order of who loses out in a rescue.

“It provides a lot of clarity for investors and depositors,” he said, drawing a parallel with the Federal Deposit Insurance Corp., which serves to protect depositors in the U.S.

At Berenberg Bank in [London](#), Chief Economist Holger Schmieding said the lesson is that “countries will take a lot of pain to stay in the euro zone. The glue that holds the euro zone together remains strong.”

Bank Funding

One potential spillover from this morning’s agreement is the knock-on effects for bank funding, analysts said. Banks typically fund themselves with some combination of deposits, equity, senior and subordinate notes and covered bonds, which are backed by a pool of high-quality assets that stay on the lender’s balance sheet.

The consequences of the Cyprus bailout could be that banks will be more likely to use contingent convertible bonds -- known as CoCos -- to raise money as their ability to encumber assets by issuing covered bonds reaches regulatory limits, said Chris Bowie at Ignis Asset Management Ltd. in London.

“We’d expect to see some deposit flight and a shift in funding towards a combination of covered bonds, real equity and quasi-equity,” said Bowie, who is head of credit portfolio management at Ignis, which oversees about \$110 billion.

Skew Finances

By threatening to skew the management of finances, the Cypriot package risks undermining confidence in an economy already suffering its second recession since 2008. Euro-area services and manufacturing output contracted more than economists estimated in March and economists from Deutsche Bank AG to Morgan Stanley are predicting a sharper economic contraction this year.

“Banks will be more cautious, consumers more timid, bank depositors a little more wary and growth across Europe a little weaker even than it was before,” said Kit Juckes, head of foreign exchange research at Societe Generale SA in London.

The Cypriot saga may also give more ammunition to populist leaders across southern Europe, who say the political elites running crisis management don’t care about ordinary savers. Italy’s political system is gridlocked and Greek voters are signalling mounting support for the opposition Syriza party, which wants to renegotiate Greece’s bailout program.

“Cyprus was led to a painful compromise in the eurogroup meeting late yesterday under the weight of blackmail and threats,” the party, led by Alexis Tsipras, said in an e-mailed statement yesterday.

True Test

The true test may only come if the rot spreads from Nicosia and starts to infect larger economies, said [Carsten Brzeski](#), senior economist at ING Group in Brussels. Italy is still struggling to put a government together and Spain’s unemployment rate is making it harder to get the country’s finances in order. In Slovenia, lawmakers are scrambling to avoid becoming the sixth country needing a bailout as they curb investor angst about bad loans equalling a fifth of economic output.

“[Germany](#) won the bet as Cyprus eventually bended,” said Brzeski, a former European Commission economist. “However, this strategy is not risk-free and will hardly work with bigger countries with a broader economic business model than Cyprus.”

Bailout Strains European Ties

Cyprus Deal Preserves Euro but Sows Mistrust Between Continent's Haves, Have-Nots

BY GABRIELE STEINHAUSER IN BRUSSELS, MARCUS WALKER IN BERLIN AND MATINA STEVIS IN NICOSIA

A deal reached Monday in Brussels may have saved Cyprus from becoming the first country to crash out of the euro, but it came at the cost of widening the political mistrust between the strong economies of Europe's north and the weaklings of the south.

Several officials familiar with talks in Nicosia and Brussels over the €10 billion (\$13 billion) rescue for the island described more than a week of chaotic negotiations. European officials cited Cypriot foot-dragging, reversals and dropped communications, a situation one European Union official called "terrifying." Cypriot officials described their European opposites as demanding and inflexible.

The fresh bitterness over the Cyprus mess—which appears deeper than at similar points during Greece's extended financial turmoil—could hamper future attempts to fix the bloc's flaws. Germany, the euro zone's biggest economy, prevailed as it typically has in the negotiations, but at the price of growing resentment over what some Europeans saw as its bullying of a tiny nation.

The accord will see [big depositors and other creditors lose large sums](#) following the radical downsizing of the country's biggest bank and the shuttering of its second largest—the first time such a "bail-in" has been seen in the three-year euro-zone crisis.

On Monday, Cypriots waited nervously for banks to reopen after their March 15 closure, wondering whether there would be further deposit flight. The country's central bank said late in the day that all of the country's lenders would remain closed until Thursday, after saying earlier that all but the two largest would reopen Tuesday.

Cyprus Crisis | Key Dates

June 25, 2012: Cyprus's then-President, Communist Dimitris Christofias, [makes first request for financial assistance](#) to the euro zone.

Nov. 29, 2012: First Memorandum of Understanding on financial assistance drafted for Cyprus.

Jan. 11, 2013: European conservative heads of government, including German Chancellor Angela Merkel, arrive in Limassol to support opposition leader Nikos Anastasiades ahead of general elections.

Feb. 24: In the run-off, second round of the Cyprus general elections, [Mr. Anastasiades wins the presidency](#).

March 1: New Cyprus government is sworn in. Michalis Sarris, a former finance minister and World Bank official, becomes finance minister.

March 15-16: [Cyprus reaches a bailout deal](#) with the euro zone and the International Monetary Fund for a €10 billion bailout. It agrees to impose a one-off levy of 6.75% to insured depositors (under €100,000) and of 9.9% to uninsured ones (over €100,000).

March 16: First day of Cyprus bank closure after government announces emergency bank holidays.

March 19: [Cyprus's parliament rejects a redrafted one-off levy on deposits](#) that would have to shield savers with less than €20,000 but also fell short of fundraising target.

March 22: [The parliament in Cyprus passes two crucial pieces of legislation](#), allowing for capital controls and creating a resolution framework to wind down banks.

March 24-25: [Cyprus reaches new bailout deal](#) with the euro zone and the IMF in Brussels. It includes winding down Cyprus Popular Bank, the second-largest lender, and radically restructuring Bank of Cyprus, the largest. Insured depositors are protected, but people and businesses with over €100,000 in savings in the two banks stand to take heavy losses.

Markets greeted the deal with an optimism that [quickly faded](#) when Dutch finance minister Jeroen Dijsselbloem suggested in an interview that big bank depositors and senior creditors may be expected to contribute to future euro-zone bailout packages. Later, after bank shares and other euro-based assets fell on the remarks, he appeared to backtrack in a message from his Twitter account: "Cyprus [is a] specific case. Programmes tailor-made to situation, no models or templates used."

The Dow Jones Industrial Average also fell after the remarks, closing down 64.28 points to 14447.75 on Monday.

Monday's agreement capped a 10-day psychological drama. Cyprus's president struck an initial deal that would have seen the country raise its share of the bailout funds by [requiring all account-holders in Cypriot banks to pay a tax on their deposits](#), only to see the plan [struck down by parliament](#). Cyprus went hat-in-hand to Moscow for help, to no avail. Cyprus also raised eyebrows in euro-zone central banks by allowing several hundred million euros to be wired out of the country in the past week, despite an official freeze on outflows on all but a few exempt categories, such as funds for humanitarian purposes.

On Thursday morning, [the European Central Bank threatened to cut off liquidity to Cypriot banks](#)—condemning them to instant bankruptcy—if no deal was reached by Monday.

By Sunday, officials said negotiations were close to breaking down on several occasions. "Nobody wanted to take the decision that could have led to the first exit of a euro member," said one official following the negotiations. "But it could have been the consequence."

The final accord will see depositors with less than €100,000 in their accounts at Cyprus's two largest banks keep all their money. Bigger depositors in the banks are set to pay a sharply higher price. Large account-holders at [Cyprus Popular Bank](#), CPB.CP_0.00% the second-largest bank, will have deposits converted into shares in a "bad bank" to contain poor-quality assets, and will likely be repaid only a fraction of their savings over time.

In the end, this deal ended up looking like a more severe version of an early proposal floated by Germany and the International Monetary Fund to close the country's two biggest banks—a plan that had been rejected by Cypriot president Nicos Anastasiades 10 days earlier.

At that time, Mr. Anastasiades instead agreed to a plan to levy a tax on all account holders in Cypriot banks—a proposal that was quickly perceived as a mistake by German Chancellor [Angela Merkel](#) and others because it penalized small savers.

After Cyprus's parliament rejected a version of the levy on Tuesday, officials from Germany and other creditor countries grew irritated as they waited to hear Cyprus's promised "Plan B."



Bloomberg

Cyprus's finance minister Michael Sarris, right, helped negotiate the plan to restructure the Cypriot banks.

Cypriot finance minister Michael Sarris—in Moscow for what turned out to be a fruitless request for funding—wasn't returning calls from his euro-zone peers. Meanwhile, in Nicosia, negotiators from the IMF, European Central Bank and European Commission spent up to 16 hours a day holed up in the glass-front Central Bank building. Seldom did Cypriot officials show up to join them, according to European officials.

Struggling to collect information from the ground, Brussels-based officials relied on media reports to get a sense of what the Cypriot government was planning.

"It's difficult to disentangle from the Cypriots who is proposing what," said a senior euro-zone official. "I have never, ever witnessed anything like this. It's a disaster."

A Cypriot official countered that Nicosia had put several proposals on the table in an attempt to contain the fallout on the economy and society. "The troika were the ones coming with more and more demands," this official said. "They had a clear mandate not to move from their positions. The issue was political, beyond economic rationale."

The fight over the future of Bank of Cyprus, the country's largest lender, became heated by Thursday. Officials in Brussels and in Cyprus noted that many Cypriot parliamentarians keep their savings there.

Mr. Anastasiades tried to sway Ms. Merkel, asking her by phone for a more lenient deal, said people familiar with the call. The chancellor told him that she wouldn't haggle over specifics and that Cyprus needed to talk to the troika.

On Friday morning, Ms. Merkel's patience was running out. She angrily briefed lawmakers from her ruling center-right coalition and told them Cyprus was trying to face Europe down, according to people present. Cypriot leaders haven't understood yet that their "business model" of outsize offshore banking has failed, she said. Europe had to stick to its principles, she added: Aid is only for countries that were prepared to reform, she said.

Ms. Merkel told her advisers and lawmakers she didn't want to see Cyprus leave the euro zone. But the chancellor and her finance minister prepared to let Cyprus fail if it wouldn't agree to terms, German officials say.

Tensions were running high Sunday in Brussels as key officials—including IMF chief [Christine Lagarde](#), ECB head [Mario Draghi](#), EU President Herman Van Rompuy and other top EU officials—met Mr. Anastasiades over a lunch of lamb and baby potatoes.

Mr. Anastasiades complained that his country was being treated more harshly than any of the euro zone's other bailout victims. He backtracked on an earlier agreement to wind down Cyprus Popular Bank.

According to a senior Cypriot official, Mr. Anastasiades was appalled by the way he was spoken to at the lunch. The president threatened to resign. Mr. Dijsselbloem told him he didn't care about the president's political future, only the future of the euro zone, the senior official said.

The lunch ended two or three hours later "and not in a good mood," said a second official.

Meanwhile, troika technical experts went to work in the European Council's headquarters in Brussels on a new proposal for Cyprus: Wind down Cyprus Popular Bank and fold its good assets into Bank of Cyprus. But most euro-zone finance ministers summoned to the building to sign off on the deal were forced to wait in their national delegation rooms on the seventh floor.



Cyprus secured a bailout from its international creditors early Monday in a deal which, according to European officials, closes Cyprus's second-largest bank, Cyprus Popular Bank, and imposes steep losses on depositors with more than approximately \$130,000. Gabriele Steinhauser reports. Photo: Reuters

The new debt deal may only be only the start for Cyprus, according to Heard on the Street's Simon Nixon. He explains that the bailout is a move in the right direction but leaves the country exposed to a prolonged recession. Photo: AP

Germany's Finance Minister Wolfgang Schäuble grew particularly irascible, officials said. At one point, Ms. Lagarde went to calm him down. She also tried to raise spirits in Mr. Van Rompuy's fifth-floor suite, where top EU officials were meeting with Mr. Anastasiades. The IMF chief handed out M&Ms, as officials say she often does at late-night European negotiations.

As EU leaders tried to calm Mr. Anastasiades and convince him to accept the need for radical surgery to Cypriot banks, his finance minister, Mr. Sarris, was negotiating an eight-point action list in another room with EU Commissioner Olli Rehn, ECB executive-board member Jörg Asmussen and Austrian official Thomas Wieser, who chairs the euro zone's regular consultations among finance officials, according to people familiar with the meeting. The "annex" that the four men drafted outlined the specifics of dealing with the top two Cypriot banks.

As the evening dragged on, Mr. Schäuble and French Finance Minister Pierre Moscovici consulted their respective leaders by phone. Then they conveyed a Franco-German message to the Cypriot leader: Mr. Anastasiades should give up hope that a summit of euro-zone leaders would lead to an easier deal. Even if a summit were to be called, the deal facing Cyprus would be the same one as now.

Shortly before midnight, the Cypriot president came back with a new proposal, which officials said backtracked on the closure of Cyprus Popular. At that point, the EU leaders calmly told Mr. Anastasiades "to pack up and leave" if he wasn't ready to cooperate, one official present at the meeting said.

The president signed off on the broad deal—one more costly than the one its parliamentarians rejected last week.

"There is no doubt in the government that the first deal was far better," said a senior Cypriot official. "We bluffed and we lost. The whole thing was a fiasco."

25. März 2013, 16:44 Uhr

Deutschland und die Euro-Krise

Wut auf die Retter

Von [Severin Weiland](#) und [Philipp Wittrock](#)

74,112

Zypern ist gerettet, Deutschland hat sich durchgesetzt - aber zu welchem Preis? In vielen Staaten Europas wächst die Wut auf die Berliner Sparkommissare. Die Bundesregierung kann kaum etwas gegen das Buhmann-Image tun.

Berlin - Die Ränder unter den Augen sind tief, die Stimme ist heiser. Die Erschöpfung ist [Wolfgang Schäuble](#) anzumerken, als er am Montag im Bundesfinanzministerium den neuen Rettungsplan für Zypern erklärt. Das Ende der dramatischen Verhandlungsnacht in Brüssel liegt erst ein paar Stunden zurück, und ein Journalist will wissen, ob das nun ein "total german victory" sei, wie es ein Kommentator bezeichnet habe.

Ein totaler deutscher Sieg - der Finanzminister kneift verständnislos die müden Augen zusammen. Er spricht von vertrauensvoller, von gegenseitigem Respekt getragener Zusammenarbeit. Sein zyprischer Amtskollege Michael Sarris habe sich am Ende bei ihm bedankt, betont Schäuble. "Europa ist solidarisch, Europa bleibt solidarisch."

Alle glücklich und zufrieden also, [Zypern ist gerettet](#), Europa hält zusammen? Schäuble weiß selbst, dass das nur die halbe Wahrheit ist. Tatsächlich hinterlässt das Ringen um das Überleben des Inselstaates in der Euro-Zone tiefe Wunden.

Der Preis der Rettung ist hoch: Deutschland steht wieder einmal als Buhmann da. Es war [in Irland](#) so, [in Portugal](#), [Spanien](#) und [Griechenland](#), und so ist es jetzt in Zypern. Die gebeutelten Menschen sind wütend auf Kanzlerin [Angela Merkel](#) und ihren Chef-Verhandler Schäuble, Hass schlägt ihnen entgegen, weil sie, angeblich getrieben von teutonischen Allmachtsphantasien, ihr [Spardiktat in ganz Europa durchsetzen würden](#) - ohne Rücksicht auf Verluste. Der britische Historiker Brendan Simms sprach in der Wochenzeitung "New Statesman" jüngst von einer Welle der "Germanophobie" in Europa.

"Längst überwundene Vorurteile"

Nach außen nehmen Merkel und Schäuble die antideutschen Töne gelassen hin. Doch völlig kalt lassen die Ressentiments die Bundesregierung nicht. Außenminister Guido Westerwelle (FDP) bedauert gegenüber SPIEGEL ONLINE, dass die Zypern-Verhandlungen "von manchen schrillen, mitunter auch unfairen und verletzenden Tönen" in der Öffentlichkeit und in den Medien begleitet wurden. Er mahnt: "Wir Europäer sollten nicht vergessen, dass wir alle in einem Boot sitzen und nur gemeinsam die europäische Schuldenkrise überwinden können. Alle, die Verantwortung in und für Europa tragen, sollten deshalb respektvoll und fair miteinander umgehen und sicher nicht längst überwundenen Vorurteilen zu neuem Leben verhelfen."

Westerwelle wird damit nicht nur jene meinen, die gegen Deutschland poltern und in alten Reflexen mit den immer gleichen Nazi-Vergleichen kommen. So wie die Demonstranten, die auf den Straßen Nikosias Plakate tragen, auf denen Angela Merkel als Nazi verunglimpft wird. Oder der spanische Ökonomeprofessor, der in der Zeitung "El País" die Kanzlerin mit Adolf Hitler verglich. Der Artikel wurde inzwischen von der Internetseite des Blattes genommen.

Nein, auch Deutschland selbst trägt eine besondere Verantwortung. Denn der Grat für den respektvollen Umgang miteinander ist schmal, gerade, wenn es um kleine Länder geht. Das musste Finanzminister Schäuble

während der Zypern-Rettung erfahren. Als er öffentlich das "Geschäftsmodell" Zyperns kritisierte - gemeint war der aufgeblähte Bankensektor -, hob Luxemburgs Außenminister [Jean Asselborn](#) mahnend den Finger. Berlin, betonte er, müsse aufpassen, dass es andere Staaten nicht verletze. Schließlich prangere auch niemand Deutschland wegen seiner überproportionierten Auto- oder Waffenindustrie an.

Schäuble fühlt sich nicht angemessen beschrieben

Asselborn kennt das Spiel, er ist lange im Geschäft. Maltas Finanzminister Edward Scicluna dagegen ist frisch im Amt - und seine erste Begegnung mit dem deutschen Finanzminister hat einen bleibenden Eindruck bei ihm hinterlassen. In der Verhandlungsnacht über das erste Hilfspaket für Zypern saß Scicluna neben Schäuble, ihnen gegenüber der Zypriert Sarris. In der "Times of Malta" schrieb Scicluna anschließend, wie Sarris den Bedingungen Schäubles nach fast zehnstündiger Bearbeitung körperlich und geistig ausgelaugt und "mit der Pistole am Kopf" zugestimmt habe.

Das ist kein schönes Bild von der Verhandlungsführung des Deutschen. Schäuble sagt dazu am Montag nur, dass er sich "manchmal unsinnig beschrieben" fühle. Aber auch der 70-Jährige ahnt wohl, dass manches hätte besser laufen können in diesem Drama. Dem Eindruck etwa, Deutschland habe sich dafür eingesetzt, auch Kleinsparer müssten ihren Obolus zur Rettung beitragen, hätte man in Berlin nicht nur schneller und vehementer widersprechen müssen. Man hätte es erst gar nicht zu einem Ergebnis mit solch fataler Signalwirkung kommen lassen dürfen.

Ob es etwas am Image der Deutschen in Zypern geändert hätte? Womöglich wäre es nicht zu einem solchen Showdown wie am Wochenende gekommen. Ob sich der Ruf grundsätzlich verbessern lässt? Wahrscheinlich nicht. An der Tonlage lässt sich zwar immer etwas ändern, doch als stärkste Volkswirtschaft Europas kann sich Deutschland kaum im Hintergrund halten, wenn es darum geht, die Währungsunion wieder zu stabilisieren. Und weil das ohne schmerzhaft Reformen kaum möglich ist, werden Merkel und Schäuble immer wieder ins Visier derer geraten, die unter diesen Reformen zu leiden haben.

Was der [Bundesregierung](#) bleibt, ist die Hoffnung, dass der Zypern-Plan aufgeht und sich die Lage in der Euro-Zone schnell wieder beruhigt. Bis der nächste Pleitekandidat gerettet werden muss. Dann werden die Deutschen sicher wieder in die Kritik geraten.

<http://www.faz.net/aktuell/wirtschaft/konjunktur/wettbewerbsfaehigkeit-arbeit-in-deutschland-ein-drittel-teurer-als-im-eu-schnitt-12128470.html>

Wettbewerbsfähigkeit

Arbeit in Deutschland ein Drittel teurer als im EU-Schnitt

26.03.2013 · Arbeit in Deutschland wird teurer: 31 Euro zahlen die Arbeitgeber je geleistete Stunde, das ist ein Drittel mehr als der EU-Durchschnitt. Deutlich teurer ist Arbeit im Nachbarland Frankreich. **74,114**

Die Arbeitskosten der privaten Unternehmen in Deutschland liegen um knapp ein Drittel über dem EU-Durchschnitt. Sie gaben 2012 rund 31 Euro je Arbeitsstunde für Löhne und Lohnnebenkosten aus, [teilte das Statistische Bundesamt mit](#). „Das deutsche Arbeitskostenniveau lag damit innerhalb der Europäischen Union auf Rang acht“, hieß es. In den 27 EU-Staaten wurden im Schnitt 24 Euro gezahlt, in der Euro-Zone 30,10 Euro. Am teuersten war Arbeit in Schweden mit 41,90 Euro je Stunde, am billigsten in Bulgarien mit 3,70 Euro. In Frankreich - dem seit Jahrzehnten mit Abstand wichtigsten Handelspartner Deutschlands - lagen die Kosten um elf Prozent über dem deutschen Wert.

Besonders teuer ist Arbeit in der Industrie, die stark im internationalen Wettbewerb steht. Hier kostete eine Stunde 35,20 Euro. Das waren 47 Prozent mehr als im EU-Schnitt, aber drei Prozent weniger als in Frankreich. „Hier lag Deutschland im EU-weiten Vergleich auf Rang fünf“, konstatierten die Statistiker.

Wirtschaft fürchtet wachsenden Konkurrenzdruck

Von 2001 bis 2010 kletterten die deutschen Arbeitskosten in jedem Jahr langsamer als im EU-Schnitt. „2011 und 2012 kehrte sich diese langfristige Entwicklung um“, erklärten die Statistiker. Dies zeige sich auch beim Vergleich mit Frankreich. Von 2001 bis 2010 erhöhten sich die Arbeitskosten dort mit knapp 35 Prozent mehr als doppelt so stark wie in Deutschland mit 16 Prozent. 2011 und 2012 fiel der Anstieg in Deutschland mit 5,9 Prozent aber stärker aus als beim Nachbarn mit 5,4 Prozent.

Grund dafür sind Lohnerhöhungen etwa aufgrund hoher Tarifabschlüsse, die hierzulande im vergangenen Jahr erzielt worden sind. [So legten die Bruttoverdienste je Stunde 2012 um drei Prozent zu](#), das war der stärkste Anstieg seit Beginn der entsprechenden Statistik 2006.

Angesichts dieser Entwicklung fürchtet die Wirtschaft wachsenden Konkurrenzdruck. „Die Standortfrage kehrt zurück“, sagte etwa zuletzt der Präsident des Groß- und Außenhandelsverbandes BGA, Anton Börner. „Wichtige Indikatoren wie Arbeitskosten und Energiekosten zeigen, dass Deutschland an Wettbewerbsfähigkeit verliert.“ Im Großhandel sehe sich schon jetzt fast jedes zehnte Unternehmen von einer „verbesserten Wettbewerbsposition der Konkurrenten“ bedrängt.

Lohnnebenkosten im europäischen Mittelfeld

Arbeitskosten setzen sich aus Bruttoverdiensten und Lohnnebenkosten zusammen. 2012 zahlten die Arbeitgeber auf 100 Euro Bruttoverdienst zusätzlich 27 Euro Lohnnebenkosten. Im EU-Schnitt waren es 32 Euro. Im EU-Ranking lag Deutschland mit Rang 16 im Mittelfeld. Auf 100 Euro Lohn wurden in Schweden (51 Euro) und Frankreich (50 Euro) die höchsten und in Malta (10 Euro) die niedrigsten Lohnnebenkosten gezahlt.

Lohnnebenkosten sind hauptsächlich Sozialbeiträge der Arbeitgeber - vor allem die gesetzlichen Arbeitgeberbeiträge zu den Sozialversicherungen sowie die Aufwendungen für die betriebliche Altersversorgung und für die Lohn- und Gehaltsfortzahlungen im Krankheitsfall.

Gut, dass Zyperns Erpressungsversuch scheiterte!

Die Welt, Meinung, 25. März

74,115

Bisher ließen die Europäer sich aus Angst vor dem Dominoeffekt durch Pleiteländer erpressen. Doch das ist vorbei, denn stärkere Euro-Länder haben die besseren Karten – sie sollten sie auch ausspielen.

Von Thomas Straubhaar

Die [Zypern-Krise](#) wird als Wendepunkt der Euro-Politik in die Geschichte eingehen. Vorher galt der Staatsbankrott eines Euro-Mitgliedslandes als Riesengefahr für alle anderen. Deshalb galt es, ihn mit allen Mitteln zu verhindern. Koste es, was es wolle.

Befürchtet wurde ein Dominoeffekt. Die Pleite des einen würde die übrigen Schuldenländer, eins nach dem anderen, mit in den Abgrund der Zahlungsunfähigkeit reißen. So würden auch an sich gesunde Mitglieder angesteckt und in den Konkurs getrieben, lautete die herrschende Meinung.

Der Dominoeffekt gab den hoch überschuldeten Euro-Ländern ein schreckliches Drohpotenzial in die Hand. Ihre Schulden wurden zum Problem aller. So blieb den besser dastehenden Euro-Staaten und insbesondere Deutschland nichts anderes übrig, als immer und immer wieder die Schatulle zu öffnen und für die Schulden anderer geradezustehen.

Eine Politik, die Schlendrian belohnte und eigene Anstrengung bestrafte. Das Tragische an der Erpressungsstrategie: Letztlich provozierte auch sie einen Dominoeffekt. Zwar nicht abrupt, aber schleichend wurden auch so im Laufe der letzten drei Jahre die Staatshaushalte aller anderen Länder angesteckt, und die Überschuldung eines Mitglieds wurde zur Gefahr für alle.

Erstmals blieb die Pleite-Drohung wirkungslos

In der Zypern-Krise zeigte sich nun, [dass die Drohung mit dem Staatsbankrott wirkungslos blieb](#). In bewährter Manier wollte Zypern selber möglichst wenig bezahlen und die anderen möglichst viel bezahlen lassen, um die eigene Pleite zu verhindern. Doch die Erpressungsstrategie scheiterte kläglich.

Bis hierher und nicht weiter: Das war letzte Woche das unmissverständliche Stoppsignal der starken Euro-Geberländer gegenüber der zyprischen Drohung, eine Kooperation zu verweigern und den Staatsbankrott zu riskieren. Und nun zeigte sich, dass die stärkeren Euro-Mitglieder mittlerweile die besseren Karten in der Hand haben als die schwächeren.

Denn nirgendwo in Europa machte sich Panik breit, gab es lange Schlangen vor den Geldautomaten oder an den Bankschaltern. Business as usual kennzeichnet das Geschäftsleben genauso wie die Entwicklung von Börsen- und Wechselkursen.

Offenbar werden die Ereignisse in Zypern als nicht systemrelevant beurteilt. Und somit wird richtigerweise auch keine Ansteckungsgefahr befürchtet. Die Erpressung mit dem Dominoeffekt hat ausgespielt.

Auch bei großen Ländern unnachgiebig bleiben

Sicher, man kann argumentieren, dass Zypern an sich ein sehr kleines Land sei, mit einer für Europa vernachlässigbar geringen Wirtschaftsleistung. Ob mit oder ohne Zypern spielt für den Euro-Raum ökonomisch überhaupt keine Rolle.

Das wäre bereits bei Griechenland und Portugal, sicher aber bei Spanien oder Italien völlig anders. Das ist unstrittig. Nichtsdestotrotz markiert Zypern einen Wendepunkt der europäischen Politik. Die starken Euro-

Länder haben sich nicht erpressen lassen und waren bereit, einen Staatsbankrott eines Mitglieds in Kauf zu nehmen.

Dieser Politik sollten sie auch bei größeren Schuldenländern treu bleiben. Dank des Europäischen Stabilitätsmechanismus (ESM) sind die Brandmauern im Euro-Raum mittlerweile höher und stärker als zu Beginn der Staatsschuldenkrise in Europa, was die Gefahr eines Übergreifens des Feuers auf andere und die Wahrscheinlichkeit eines Flächenbrands verringert.

Zu hoch gepokert

Sollte ein Dominoeffekt drohen und sollten die Zinsen für andere überschuldete Länder in die Höhe schnellen, kann im Notfall der ESM einspringen und eine Refinanzierung von Staatsschulden zu erträglichen Zinskosten ermöglichen.

Auch hier gilt, dass sich die Euro-Politiker nicht erpressen lassen sollten. Spekulieren die privaten Kapitalmärkte auf einen Zerfall des Euro-Raums, haben ESM und die Europäische Zentralbank alle notwendigen Mittel, um dagegenzuhalten.

Vor allem aber haben offenbar selbst die politischen Scharfmacher in Südeuropa begriffen, dass sie mit einer Verweigerungsstrategie gegenüber Reformen, Anpassung und Eigenverantwortung wohl (zu) hoch pokern.

Staatspleite ist eine Katastrophe

Denn ein Staatsbankrott ist für die Gläubiger zwar ein Desaster. Für die Betroffenen aber ist er eine Katastrophe. Geht einem Staat das Geld aus, implodiert schlagartig die Volkswirtschaft. Ruheständler erhalten keine Renten, Arbeitslose keine Sozialhilfe, Angestellte des öffentlichen Dienstes keine Gehälter. Rechnungen an den Staat werden nicht mehr ausbezahlt.

Eine Staatspleite ist das Ende geordneter Verhältnisse. Die Kosten wären immens – nicht nur für die Wirtschaft, auch für die Gesellschaft und die Politik. Die Einführung einer neuen nationalen Ersatzwährung würde Monate dauern.

Denn erst müssten die Banknoten gedruckt und verteilt werden. Dann möchte zunächst niemand das unbekannte, ohne Vertrauen und Substanz gedruckte Geld haben wollen. Entsprechend hoch wären Tauschkosten und Risikoprämien.

Die Eliten wandern aus

Schlimmer aber wären die Folgen des Kollapses von Banken und damit des Geldwesens. Bankrotte Ökonomien würden von allen äußeren Kapitalflüssen abgeschnitten. Energie, importierte Rohstoffe, Vorleistungen aus dem Ausland – alles würde teurer werden.

Wer könnte, würde das Land verlassen. Das gilt für junge Menschen. Es wäre auch für Kapital und Vermögen gültig. Für diejenigen, die bleiben, droht der Teufelskreis von Abwanderung, Überalterung und Hoffnungslosigkeit. Wie das ausgeht, lässt sich am Ende der DDR studieren und südlich von Neapel und in Sizilien bis heute feststellen.

So schrecklich ein Staatsbankrott für die Betroffenen wäre, so beherrschbar blieben die Wirkungen für die Euro-Zone insgesamt. Die verheerenden Folgen einer Konfrontationsstrategie wären für die übrigen überschuldeten Euro-Länder ein Menetekel.

Folgen für die Euro-Zone beherrschbar

Die immensen Kosten der Reformverweigerung würden den Bevölkerungen anderer überschuldeter Volkswirtschaften klarmachen, welche dramatischen Wirkungen mit einer Ablehnung der helfenden europäischen Hand verbunden sind. Das müsste eigentlich Abschreckung genug sein, um zu kooperieren.

Die Geberländer sollten sich künftig keine Verweigerungsstrategie mehr bieten lassen. Mehr noch: Mit der Härte gegenüber Zypern wurde ein Beispiel statuiert, das den Maßstab für alle anderen abgibt. Nun gilt es, auch gegenüber Griechenland und Portugal, Spanien und Italien glaubwürdig und durchsetzungsfähig zu bleiben.

Alles andere wäre eine Kapitulation vor Forderungen, die von einer nachhaltigen Lösung wegführen. Eine Politik der Härte ist nicht kostenlos und nicht ohne Risiko. Aber sie ist billiger und berechenbarer und vor allem nicht so hoffnungslos, wie einer Erpressung nachzugeben.

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March 25, 2013

Stricter Rules but Signs of Disarray in Cyprus Deal

By [STEVEN ERLANGER](#) and [JAMES KANTER](#)

74,118

PARIS — The Cyprus deal announced Sunday, another late-night showdown in Brussels that looked like a shambles, laid down some important new markers for the future of the [European Union](#) and the countries that use the euro. The big European powers used the crisis to establish some new, more punitive rules for countries needing emergency aid.

First, there will be no more bailouts without bail-ins, meaning investors and even some depositors in banks that get in trouble may have to pay at least part of the price of rescuing them. European leaders recognize that their voters will no longer tolerate having to pay to save other countries' irresponsible banks and their clients.

Second, there is a strong message that if the euro zone is going to work, with a banking union that has credibility, there will be no more "casino economies," little islands like Cyprus with banking sectors many times larger than their gross domestic product, that do not follow the rules and make everyone else vulnerable.

The package for Cyprus marks a victory, of sorts, for Germany and other hard-liners inside the euro zone that are determined to signal that banks and countries will be rescued only when they do penance for their past mismanagement, as determined by their rescuers. Supporters say this will preserve public support for the euro and encourage greater prudence down the road.

Critics, however, say the Cyprus bailout was so haphazardly handled that it underscored the chaotic nature of European decision making more than it sent an unmistakable message about a new approach to bailouts.

Many economists also say euro zone countries may have done themselves further harm by threatening to confiscate part of the savings of depositors in Cypriot banks. If large investors and even ordinary savers worry about a seizure of their assets whenever a bank gets in trouble, the private sector may grow more reluctant to steer funds toward troubled financial institutions, putting more pressure on the [European Central Bank](#) to pump in rescue funds.

Some researchers have also forecast that the Cyprus crisis will contribute to financial fears around Europe, which could end up costing Europeans far more in lost growth than they gain in savings from reducing the cost of bailing out Cypriot banks.

On Monday, after Reuters quoted Jeroen Dijsselbloem, the new head of the Eurogroup of finance ministers, as saying the Cyprus bailout could be a new template for resolving regional banking problems, stock markets in Europe and around the world dropped and the value of the euro dipped as well, giving up early gains. That appeared to reflect investor pessimism that requiring savers to bail out troubled banks would prove a good model for euro zone rescues.

The Cyprus crisis elicited a strong and uncompromising response partly for geostrategic reasons, specifically because the role of Russian money, laundered and otherwise, is becoming a major consideration. European Union officials, for example, speak privately of their deep suspicion that European position papers about negotiations with Russia were regularly leaked to Moscow from Cyprus, and European countries that are NATO members are unhappy with the laxity with which Cyprus deals with Russian spying and the way it holds up European cooperation with the alliance over Turkey.

Germany and other countries of northern Europe, either former Soviet colonies like the Baltic nations or sometimes anxious neighbors, like Finland, were not going to try to sell to their voters the idea of bailing out Russian oligarchs — and Russian officials with secret bank accounts.

Toomas Hendrik Ilves, the president of Estonia, said he and his European colleagues were shocked to hear Cypriot officials say, “Brussels is far away, and Russia is a good friend.”

Cyprus also lost sympathy by trying to protect depositors with more than 100,000 euros from too high a contribution — considered an effort to protect Russian money, for the most part — while proposing to tax depositors with accounts under that figure, which are supposed to be insured. “It meant only that they were in bed with the Russians,” said Mr. Ilves, who is blunter than most officials. “And German voters, let alone Estonians, were not going to accept bailing out Russian oligarchs.”

Politically, he said, “you can talk about solidarity with the poor Greeks, and that’s hard enough, but solidarity with thugs and money launderers is a different matter.”

However tiny, Cyprus also appeared to call into question, once again, the sustainability of the euro as a common currency for so many disparate economies.

Just after the euro seemed to have moved past its real crisis point — with the European Central Bank vowing to defend the currency, institutional changes in the works and countries like Greece, Portugal and Ireland making significant improvements — the political confusion in Italy and the Cyprus crisis appeared very damaging. “The image of mastery, hard won, looks like it’s taking a big hit,” a senior euro zone cabinet minister said. “It looked again like the gang that couldn’t shoot straight.”

On Monday, the president of the European Parliament, Martin Schulz, a German Socialist, said that “the way the Cyprus case was handled is no way to do business in the E.U.,” and that the negotiations “lacked transparency, democratic accountability and were badly communicated.”

The confusion was made worse by the inexperience in their jobs of Mr. Dijsselbloem, who took over as leader of the Eurogroup of finance ministers two months ago, and the new Cypriot president, Nicos Anastasiades, in office less than a month.

There were also tensions between the International Monetary Fund and the European Commission, the permanent bureaucracy of the European Union, which together with the European Central Bank make up the troika that negotiates and oversees bailouts. The fund has pressed countries like Cyprus to limit debt and force losses on investors. The European Commission has tended to show greater concern about the impact that aggressive, penalty-strewn bailout packages would end up having on other economies within the euro zone.

But those advocating a tougher approach had significant support from the German chancellor, Angela Merkel, who is in the middle of an election campaign, and northern Europeans who are generally fed up with countries that do not follow the rules and expect to get bailed out in any case.

“The German intention was to break up that cartel of Cyprus,” the minister said. “You can’t have a banking system seven times larger than your G.D.P.” And the European Central Bank, by supporting an ultimatum to the Cypriots, appeared happy to go along.

Alexander Stubb, Finland’s minister for European affairs and foreign trade, said that “now we’re bailing in as well as bailing out, to decouple the bank from the sovereign and move toward a banking union.” Banks are not simply vaults but risky institutions in which clients are also responsible, he said. “The message is that the private investor must take a hit. It’s a new principle and a good one.”

But while optimists hail a new model for bailouts, others are wary. Cyprus is almost certain to follow Greece into a deep recession or depression, with surging unemployment, that will take a generation or more to overcome. And the possibility of spreading financial unease and wariness of parking money in troubled banks could exact a toll on the region’s stability in coming months or years.

Zypern-Krise

Keine Legenden

25.03.2013 · Die Zyprioten mögen sich als Opfer sehen. Aber es sind nicht ihre europäischen Partner, die schuld an dem Schlamassel sind.

Von [Klaus-Dieter Frankenberger](#)

74,120

Der Staatsbankrott für Zypern ist abgewendet, es ist nicht zur Katastrophe und nicht zum Austritt aus der Eurozone gekommen - das ist Anlass dafür, kräftig durchzuatmen nach Tagen eines Harakiri-Krisenmanagements. Das ist es dann aber auch: Die Zyprioten werden sich jetzt auf einen dornenreichen Weg begeben müssen. Ihr untragbar gewordenes Geschäftsmodell wird abgeschafft, dem griechischen Teil der Insel stehen schwere Zeiten bevor.

Dass die Leute davon nicht begeistert sind, dass sie die Lösung von Brüssel nicht als fair empfinden, sondern als eiskalten Zwang, kann man verstehen. Und doch bleibt sie insofern richtig, weil auch diejenigen zur Bewältigung der Lasten herangezogen werden, die das Land an den Abgrund geführt haben. Die Zyprioten mögen sich als Opfer sehen, aber es sind nicht ihre europäischen Partner, die schuld an dem Schlamassel sind.

Neohegemoniale Deutsche?

Auch im Fall Zypern zeigt sich somit - jenseits aller Hilfspakete, aber vielleicht auch wegen diesen -, wie groß Entfremdung und Verdruss unter den Europäern geworden sind: Viele Leute in den Krisenländern suchen die Schuld für ihre Lage weniger bei ihren korrupten Eliten oder in schlechter Politik, sondern bei den angeblich unsolidarischen Ländern des Nordens, lies: bei den angeblich neohegemonialen Deutschen. Die Geberländer wiederum fühlen sich als Opfer von Erpressung, deren geleistete Hilfe mit Beleidigungen vergolten wird. Zu Beginn des vierten Staatsschulden- und Eurokrisenjahres wird man feststellen müssen, dass Vertrauen und Empathie auf dieser (Krisen-)Strecke geblieben sind. Für die Zukunft der EU stimmt einen das nicht unbedingt hoffnungsfroh.

Denn generell treibt in dieser Europäischen Union vieles auseinander, mögen sich die Akteure auch um verbindlichere Regeln, strengere Aufsicht und um eine bessere „Governance“ bemühen, wie es heute neudeutsch heißt. Aber die europäischen Volkswirtschaften entwickeln sich höchst unterschiedlich - und damit die jeweiligen Interessenlagen. Es wird immer schwerer, die Fliehkräfte im Zaum zu halten; populistische Kräfte machen sich fast überall bemerkbar. Auch deswegen ist es so wichtig, diese Krise endlich zu überwinden und wieder festen Boden unter die Füße zu bekommen, ob in Portugal oder hoffentlich bald in Zypern. Das wird nur gelingen, wenn sich alle anstrengen. Opfermythen dagegen machen blind und helfen nicht weiter, auch und gerade Europa nicht.

The financial crisis

The debt run

Mar 26th 2013, 11:09 by Buttonwood **Allgemeine Betrachtung über Wachstum und Schulden**

74,121

INFLATE, stagnate, default. That has been the choice facing highly indebted economies ever since the crisis broke in 2007-2008. It would be nice if growth could lift us out of this mess, but that looks unlikely; see how sluggish growth has become (the 2000 decade ended in 2009, before the Greek crisis hit, so this is not just an issue of austerity).

The slowdown

Real GDP growth rate by decade, %

| Country | 1960s | 1970s | 1980s | 1990s | 2000s |
|-------------|-------|-------|-------|-------|-------|
| Spain | 110.0 | 42.0 | 31.1 | 31.1 | 24.1 |
| Britain | 33.9 | 28.0 | 33.3 | 29.7 | 19.7 |
| US | 49.5 | 38.8 | 35.9 | 37.4 | 17.3 |
| Netherlands | 60.3 | 39.8 | 21.2 | 36.9 | 14.9 |
| France | 70.4 | 41.9 | 25.8 | 20.7 | 11.7 |
| Germany | 53.5 | 39.4 | 22.9 | 22.3 | 8.4 |
| Italy | 76.9 | 43.6 | 27.6 | 16.1 | 4.1 |

Source: OECD

Why is this? There has been too much focus on government debt; the problem is total debt in an economy, including the financial sector, corporates and consumers. Government debt usually rises sharply when another sector is badly hit; Cypriot government debt, for example, was only [61% of GDP](#) in 2010.

Think of debt as a claim on wealth. If a bank extends you a loan, you now have wealth in the form of money that you can spend on goods and services or use to buy an asset, such as a house; the bank also has an asset in the form of its loan, which it records on its balance sheet. Debt can thus increase rapidly relative to GDP and can help increase output, as the debtors spend their wealth.

All is well as long as the creditor is confident that the debtor can repay the debt. Indeed much debt in the modern economy is simply rolled over; businesses renew loans, homeowners replace one mortgage provider with another. And creditors are likely to be confident if GDP (and thus debtors' incomes) are rising.

One can thus have debt levels that are many times the level of GDP; i.e. there can be more claims on wealth than the annual production of goods and services. Of course, a nation's wealth (in the form of land, mineral resources etc) can be many times the value of its GDP so this may not appear to be a problem. But this is only a partial help since only a small proportion of a nation's wealth can be realised at any given year; if every American wished to sell his house to repay his debts, who would buy?

Similarly, when debt levels are many times the value of GDP, a large proportion of GDP needs to be rolled over every year. Say, debt is 400% of GDP and the average maturity of debt is five years; then 80% of GDP needs to be rolled over every year. If creditors become nervous about the debtors' ability to repay - as they will in the face of falling asset prices or stagnant incomes - they they will be unwilling to extend the loan. If debtors are able to pay out of their own resources, they will see a fall in their spending power. If debtors are able to repay by selling an asset, there will be a fall in asset prices. And if they are unable to repay, there will be a hit to the creditors' balance sheet. All three results hurt the economy.

Indeed, think of an indebted economy as like a bank. Just as a bank can function as long as too many depositors do not want to withdraw their money, the economy can function as long as too many creditors do not want repaying. the economy is thus vulnerable to a run.

When the private sector suffers a debt run, then the government can step in, rescue it and take the debt on to its balance sheet. This is fine as long as creditors have confidence in the government. As we have seen in Japan, if all the creditors are domestic, then the situation can be stable for quite a long time (although it is hard to believe that it is sustainable in the very long term). But if the creditors are foreign, as has been the case in parts of the euro-zone, a restructuring (write-off) of part of the debt will be necessary.

Inevitably there will be losers from this process. If you are a Cypriot with more than €100,000 in the two main banks, you will feel pretty hard done by. In reality, of course, a bank deposit is a loan to the bank (it is a liability on the bank balance sheet). It is thus a claim on wealth; if there is not enough wealth to meet all claims, then someone must lose out and as pointed out [before](#), large savers are the most likely victims since they are the ones with the money.

An alternative to default is to inflate the debt away, to create so much money that the creditor suffers default in real terms, not nominal ones. As last week's [column](#) points out, this is being done in part by financial repression; holding real rates negative. Maybe this is what QE is designed to accomplish. So far, however, the central banks have had very little success in achieving the right kind of inflation; rapid growth in personal incomes. Such income growth will make it easier for individuals to repay their debts. Instead the West has tended to see imported inflation in the form of higher commodity prices. And that of course depresses real wages and makes it *harder* for individuals to repay their debts.

In short, we are nearly six years into this crisis and we have made precious little progress in running down debts and thus are vulnerable to further crises; Cyprus is just the latest example. Nor have we decided whether default or inflation is the preferred option. Either way, savers should beware.

There is a glimmer of hope – and that is the Cypriots’ desire to reassert independence



Banks in Cyprus have been closed while their fate is decided in Brussels Photo: AFP/GETTY

By Nigel Farage 8:57PM GMT 25 Mar 2013

 [632 Comments](#)

The brinkmanship that has been on display over the Cypriot financial crisis makes obvious to all but the wilfully blind the level of political determination in Brussels to save the euro at all costs. No amount of empirical economic evidence – or misery for ordinary people – matters when the dreams of the continent’s elite are threatened.

After the French and Dutch rejected the European Constitution in 2005, the then European Commissioner for Communications, Margot Wallström, put it perfectly. She and the other EU cheerleaders had invested “a lot of energy and political capital” in the project, she declared, and they were not going to give up on it. No matter what the people said, no matter what the economic realities were.

Five years later, this delusion in the face of brute reality has reached its apogee in Cyprus.

How can it be that the German parliament gets to vote on the wholesale theft of money from richer Cypriot depositors, while the Cypriot parliament has no such voice? Instead the theft is labelled “restructuring” – and as such there will be no Cypriot democratic oversight of the economic rape of their country. Be under no illusion: this is being done not to solve the Cypriot economy, but to save the euro. The crashing irony is that, in their February elections, the Cypriots threw out the Communists. One could ask why they bothered.

But at what cost is the euro being saved? What we can see here is an almost deliberate attempt to set the people of Cyprus against each other. By restricting the damage to those who have deposited 100,000 euros in the bank (rather than across the board, as was the previous suggestion) they will be undermining social cohesion, pitting those with against those without. It destroys any pretence that the EU has at its heart a belief in democracy, or in those warm words so often repeated about it being the guardian of essential “European” qualities. In truth it was only a fair-weather friend and its behaviour in this storm, as in others, is to drop these benevolent ideas like hot stones.

Worse still, Jeroen Dijsselbloem, the Dutchman who heads the Eurogroup of eurozone finance ministers, has made it clear that this is now the template for all eurozone countries. Think about that for a moment. These politicians really believe that all the money in the eurozone is actually theirs – as if people have it on

sufferance, and not by rights. Since Dijsselbloem spoke, bank shares in Spain, France and Italy have collapsed: citizens of these countries not unreasonably fear the worst.

All this is done for the European elite's devious ends. One of which is the so-called "Target 2". This is the eurozone bank clearing system, by which private transfers of money from one member to another are cleared through the national central banks. If, for instance, 100 euros is moved from a Greek bank deposit to a German bank deposit, the Greek central bank ends up owing another 100 euros to the Bundesbank (through the European Central Bank).

At present, the Bundesbank is owed 600 billion euros thanks to Target 2, mainly as a result of capital flight from Mediterranean countries. But, unlike with normal debts, the debtor countries have no contract or understanding about how this should be repaid.

Cyprus has just been granted a 10 billion euro bail-out loan from the other eurozone countries. But the irony is that Cyprus is already in receipt of a bail-out worth 7.5 billion euros – this is the Target 2 debt of the central bank of Cyprus. And they are desperately trying to prevent this growing as a result of further capital flight.

Perhaps this is the most ominous result of the Cyprus debacle. While the details of the controls to prevent money leaving Cyprus are not yet known, they will quickly lead to euros in a bank account there being worth less than euros in bank accounts elsewhere.

I have been saying this since the start of the latest chapter of the crisis: that the level of risk and the prospects of contagion are such that those who have deposits in other southern European countries should get them out as soon as possible. Don't just take my word for it. The economist and journalist Anatole Kaletsky yesterday made his support for my comments utterly clear on Twitter: "Anyone with more than 100,000 euros in a French, Spanish or Italian bank is crazy if individual, or criminally negligent if a company director."

There is, however, a silver lining to all of this – a small one, but possibly the most important aspect in the whole sorry debacle. Cyprus is different from Greece, different from Ireland and different from Spain and Italy. In Cyprus we have a population that would prefer to leave the eurozone than comply with the privations of Germany and Brussels. We have a parliament that has already voted down one scheme, and is thus barred from debating this one. We have a Cypriot archbishop who supports his people rather than the EU. They are not happy and they are pointing to a new reality.

That David Cameron is welcoming these plans shows how far the British political class is from any ideals of democracy, accountability and liberty. Instead the future to him is a technocratic, post-democratic world, run in the most part by unelected, fanatical and deluded power-mongers in Brussels and Frankfurt.

Nigel Farage is the leader of Ukip

It's official: the French are less happy than the British and the only solution is to learn English

By [Tim Stanley World](#) Last updated: March 26th, 2013

74,125



Vive la difference, because it's working wonders for the British

Two bits of good news for you, Great Britain. One, the French are miserable. [According to a BVA-Gallup poll survey, the French are the most pessimistic people in the world.](#) That's one in the eye for the unholy alliance of the British Left and the French tourist board who've always insisted that France has got living down to a fine art. For decades we've been sold a vision of a country of wine-guzzling philosophers whose rejection of free market capitalism has allowed to kick back and enjoy 35-hour working weeks, militant trades-unions and summer holidays that seem to last longer than the summer itself. Au contraire – apparently the puritanical, sex-starved, Thatcherite Brits are far more confident about their future.

But the even better bit of news is that apparently the only way for the French to shrug off their ennui is to become *a bit more like the British*. Professor Claudia Senik from the Paris School of Economics has penned a controversial article for magazine *The Local* in which she argues that "Speaking English would make French less glum". Oh, how I'd love to say that to that arch-critic of the Anglo Way, President François Hollande. And how I'd particularly love to say it very loudly and slowly in broken English, as if trying to be understood asking for directions to the train station.

Senik identifies three problems that the French have. First, their schools are too good. Quote: "In France, students are generally graded on a scale of 0 to 10 or 0 to 20 and it's very difficult to get high grades. This means the majority of pupils are used to getting bad grades. When they think about their self-worth or their value, they think about these grades, which are usually low or intermediate." It's a relief to discover that Britain's appalling education system might have left us unable to count up to ten but it has done wonders for national confidence. Giving everyone a gold star for effort (after all, it's quite an accomplishment to miss enough classes to get to 18 without knowing how to spell your own name) has turned us into happier, healthier people than our French counterparts. Ignorance is genuinely bliss.

Second. France resists too much the decline of empire and the alternative of liberal globalisation. Whereas we've reconciled ourselves to the mediocrity of being America's poodle, the French can't get over their loss of global influence. Again, that resistance to free market fundamentalism has not helped them maintain some national *bonne humeur* but instead left them feeling isolated and alone.

Finally – and best of all – France's biggest problem is that it doesn't speak English. This paragraph makes particularly sweet reading:

To be happier the French could do with learning more foreign languages. Of course, Anglophone countries are worse, but that doesn't matter because everyone speaks English. Being happy is not about speaking the foreign language itself, but about being able to fit more easily into this globalized world, which you can do if you speak English.

It's what we've always suspected. Forcing British school kids to schlep through semi-pornographic French textbooks learning the words for airport and pen was a waste of time. Instead the French should've been learning English and taking holidays in Cornwall for practice. Let the mountain come to Mohammed.

The serious takeaway from all of this is that the constant French resistance to globalised modernity is doing them no favours. As with the rest of the EU project, constantly looking inwards and trying to preserve a welfare state ideal doesn't increase happiness but leaves you less able to adapt to the winds of change. Adapt or die – or else end your days in morbid conversation about Sartre in some dingy café on the Champs Elysees.

Cyprus bailout: Europe's love just got even tougher

Getting tough on Cyprus was sensible. Elsewhere in the eurozone, a much softer touch is needed

- [The Guardian](#), Tuesday 26 March 2013
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Jeroen Dijsselbloem, the Dutch finance minister who helped agree the Cyprus bailout deal. 'The IMF advised the Netherlands it did not need to keep cutting its budget deficit. And the same applies to Germany.' Photograph: John Thys/AFP/Getty Images

Once again [the euro has been saved](#), but the eurozone continues to stumble towards disaster. The distinction matters, even if European finance ministers emerged from their late-night negotiations talking proudly of having kept Cyprus inside the euro and – though they didn't say this explicitly of course – of having stifled Russian fatcats. For while southern European debtors are the problem for the euro, it is northern European creditors who are the problem for the eurozone.

In technical terms, the ministers have reason to be pleased. With the Cyprus deal, they have achieved two things. They have proved that member countries will do almost anything to stay inside the single currency, rather than suffer the ignominy and economic cardiac arrest that an exit would bring. If neither Greece nor Cyprus will leave, then no one will, short of revolution.

Second, they showed that the German-led emphasis on running the euro through tough love still works. And toughness is right when faced with banking crises, which is what Cyprus's troubles amounted to: ever since the great Walter Bagehot coined the phrase "lender of last resort" in the 1860s, it has been evident that financial rescues must be mixed with punishment.

In 2008-09, amid panic after the Lehman collapse, there was too little punishment of bankers, shareholders and creditors who had let their institutions take reckless risks. Rescuing the financial system took priority. The same was true during the European bailouts for Ireland and Spain. The [Cyprus deal](#) improves on that, and sets a helpful new precedent.

Those who deposited large sums in Cypriot banks were not just tax-evaders in their home countries, though often they were that; they were also lenders to these banks who enabled them to act recklessly in Greece and elsewhere. A bank deposit is the same as a loan. So making depositors of €100,000 or more pay for part of the rescue is just the same as defaulting on debt.

Nevertheless, the Cypriot deal is a sensible reinforcement of tough love. The real problem with it at least as a focus of eurozone policy and politics, or as a cause of back-slapping satisfaction, is that it misses the bigger point. It is all about tough, and not at all about love. For the love part is what the eurozone now needs to focus on. Not for Cyprus, specifically, but across the whole single-currency area.

A currency can be saved, rather as in the 1920s the gold standard was preserved, but it is the countries that really matter. If the eurozone economies spiral further into recession, their politics are going to turn nastier and nastier. [The 25% vote in Italy's election](#) for the anti-establishment Five Star Movement led by the former comedian, Beppe Grillo, is a foretaste. And Italy may well have a second election in the next few months, in which the rebellion against austerity, the euro and above all Germany is likely to intensify.

Banking crises in countries such as Greece, Cyprus and Spain do pose genuine dangers. But a never-ending recession, with youth unemployment at 36% in Italy and over 50% in Spain, is a much greater hazard. And the tragedy is that it is avoidable – if only Germany and the other northern Europeans would drop their insistence on fiscal austerity for all and in every circumstance.

This week the International Monetary Fund advised the Netherlands that it really did not need to keep on cutting its budget deficit. It was good advice, and the same applies to Germany. They should be stimulating demand, not repressing it in a fit of sado-masochism.

The hope has to be that German policy will change once the federal elections are safely out of the way in September. Yet by then, Italy, the zone's biggest sovereign debtor and its third-largest economy, might have elected a vehemently anti-German government, led either by Grillo or by the man he calls "the psycho dwarf", Silvio Berlusconi. If the prospect of that doesn't make the northern Europeans see sense, then nothing will.

Sombre mood after Cyprus deal

Cyprus's President Nicos Anastasiades spoke to his countrymen on Monday, defending the [bailout deal](#) reached in Brussels as painful but necessary. While the stock markets rose initially in reaction, the country's banks remained closed. Commentators doubt that the Mediterranean island has really been rescued and consider the monetary union to have yet again been exposed as fundamentally flawed.

Gazeta Wyborcza - Poland

Sunny island not saved yet

Cyprus's rescue is nowhere near settled even with the [bailout plan](#), the liberal daily Gazeta Wyborcza warns: "For example we don't know yet how private savers will behave when banks are reopened. The financial blockade of the country has already gone on for ten days. Initially the citizens were completely cut off from money channels, then the cash points started paying out small amounts and now the upper limits have been reduced here too. Will the Cypriots really be willing to believe that the government will take care of their bank deposits? Won't they soon withdraw all their money again? To what extent will the ECB's statement that it will support the liquidity of the banks calm their fears? And then the question of the economy's future must be asked, which has been 50 percent dependent on the financial sector in recent years. How is it to function without it? This is like when a jockey falls from his horse and then has to go by foot. He's bound to be a lot slower." (26/03/2013)

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

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All available articles from [» Maciej Samcik](#)

Who's saying what [» Cyprus bailout hangs by a thread](#)

konstantakopoulos.blogspot.gr - Greece

Cypriots must show their fighting spirit

In a letter to a Cypriot friend the Greek journalist Dimitrios Konstantakopoulos offers some advice on his blog: "You have only one option now: the introduction a Spartan war economy. ... Gather your SUVs and all other evidence of your [newly acquired wealth](#) and consumption and burn it. ... Concentrate on surviving and supporting each other. Organise a political and communicational counterattack across Europe. Get ready to introduce a new currency, but don't take the initiative on leaving the Eurozone or the EU. Use your leeway vis-à-vis Russia and China. Resort to all the legal instruments you have in the EU. Don't complain about the Russians. I don't think Mr Sarris [the Cypriot finance minister] presented a serious offer in Moscow [or really wanted a deal with Russia]. And I don't think Mr Putin would be enthusiastic about helping a president who has promised to make Cyprus a Nato member and give his oil to Israel." (25/03/2013)

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Who's saying what [» Cyprus bailout hangs by a thread](#)

Le Monde - France

Cyprus doesn't fit in Eurozone

The drama over Cyprus shows that the Eurozone cannot function in its present form, the left-liberal daily Le Monde writes: "The Europeans will be forgiven for last week's blunder. Because it wasn't just a reflection of institutional inefficiency, but worse still, it demonstrates the enormous difficulty, not to say impossibility, of managing a monetary zone with economies as asymmetric as Germany and Cyprus. The real aberration is not that the rest of the Eurozone is forced to reconcile the interests of a Mediterranean casino with those of the German taxpayers. No, the real aberration is the fact that Cyprus is in the Eurozone in the first place. At the very least, the Cyprus crisis confirms the urgent need for [joint supervision](#) of the banks in the Eurozone." (25/03/2013)

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

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Who's saying what [» Cyprus bailout hangs by a thread](#)

El Mundo - Spain

Dijsselbloem and Merkel undermine trust

Euro Group chief Jeroen Dijsselbloem intimated on Monday that the involvement of Cypriot banks in the bailout could set a precedent for the rescue of other countries, while German Chancellor Angela Merkel said that taxpayers should not have to rescue the banks, but that the banks must rescue themselves. The conservative daily El Mundo sees this as a clear sign that Germany and the Netherlands are backing out of the planned [banking union](#): "Both what Dijsselbloem said and what Merkel said basically torpedoed the plans for a banking union, one of the cornerstones of which was creating a European fund with which ailing banks can be recapitalised. It's clear that neither Germany nor the Netherlands want to go any further in that direction. ... In terms of its dimensions the Cyprus crisis could have been resolved relatively easily. But the inexperience of certain Euro Group leaders and Merkel's intransigence have caused a far larger problem. ... If the German chancellor implies that money is not safe in Europe's supposedly strictly regulated banks, many investors will be tempted to shift their savings to the US, Japan or Switzerland." (26/03/2013)

[» to the homepage \(El Mundo\)](#)

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Who's saying what [» Cyprus bailout hangs by a thread](#)

Salzburger Nachrichten - Austria

At last a bank is being closed down

Cyprus must reorganise and scale down its banking sector to secure the bailout deal. The country's second-largest bank, Laiki Bank, or [Cyprus Popular Bank](#), will be liquidated while its largest bank, the Bank of Cyprus, will be supported and recapitalised. The Christian-liberal daily Salzburger Nachrichten sees these moves as a decisive step in the right direction: "The fact that bank proprietors and creditors are being made to pay is harsh but justified. ... After being saved from bankruptcy with money from other euro countries, Cyprus must in turn completely rehaul its economic model. The country must develop its [natural resources](#) and raise the potential of its inhabitants, who can no longer confine themselves to administering large sums of money and letterbox companies. It's a good thing that the euro partners have enforced this change of course. Equally good would be a signal that the model for rescuing ailing euro countries will be revamped. Then Cyprus would no longer be an exceptional case but a model for the Eurozone." (25/03/2013)

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

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All available articles from [» Richard Wiens](#)

Lietuvos rytas - Lithuania

Tourism a lifeline for Cyprus

Cyprus must now pay for the mistakes of its politicians, the liberal daily Lietuvos rytas observes, but points out that tourism will soon help the country out of its present predicament: "The governments of this island alone are to blame for all the woes and suffering of recent times. The hope that Brussels or Berlin would continue to accept a partner who plays by different rules for decades was naive. ... It's entirely realistic that Cyprus will lose its status as a tax haven in the long term. This will cause great upheavals. At least some of the Russians and other foreigners will take their money elsewhere. Several companies will shut down. But for tourists this Mediterranean country will remain attractive - all the more given that the prices in the service and real estate sectors will go down. So even during the period of paying for their sins the Cypriots won't have too much to complain about." (26/03/2013)

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

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Armée amputée, France déclassée

Editorial LE MONDE | 26.03.2013 à 10h54 • Mis à jour le 26.03.2013 à 12h37 Editorial du "Monde"

2

74,131



L'affaire est paradoxale. Au moment où il vante les performances de l'[armée](#) française au [Mali](#), et ailleurs, le gouvernement s'apprête à démanteler ladite [armée](#) ou à en réduire considérablement le potentiel. Ce que la France réalise aujourd'hui au Sahel, il y a peu de chances qu'elle puisse encore le [faire](#) dans cinq ans. Elle n'en aura plus les moyens.

Du moins si [François Hollande](#) ne revient pas sur les coupes qui se préparent dans le budget militaire, et qui devaient être présentées, mardi 26 mars, en conseil de [défense](#) à l'Elysée. Elles sont plus que déraisonnables. Elles entérinent le déclassement militaire du pays.

Lire [Défense : les scénarios noirs des coupes budgétaires](#) (édition abonnés)

M. Hollande est arrivé au [pouvoir](#) en demandant la rédaction d'un nouveau Livre blanc sur la défense. Le président entend [actualiser](#) la carte des besoins stratégiques de la France. Le document sera bientôt prêt. Il devrait [servir](#) de base à la prochaine loi de programmation budgétaire militaire, qui couvre la période 2014-2019.

On peut [comprendre](#) que l'armée participe à la cure d'austérité imposée à l'Etat pour [ramener](#) le déficit budgétaire sous la barre des 3 % du produit intérieur brut (PIB). Encore que les militaires aient déjà subi un régime impitoyable – et abusif – du temps du président [Nicolas Sarkozy](#). Mais, cette fois, la logique financière l'emporte sur toute autre considération : appliquées telles quelles, les propositions de coupes qui sont sur la table reviendraient à [amputer](#) terriblement l'outil militaire.

Deux hypothèses sont soumises au président : l'une est inacceptable, l'autre à peine moins. Dans un cas comme dans l'autre, toutes les armes sont touchées. Le budget de la défense passe en dessous du seuil de 1,3 % du PIB – très en deçà des 2 % demandés par l'[OTAN](#) pour [maintenir](#) les capacités de l'Alliance. Le nombre d'hélicoptères, de Rafale, de blindés diminue considérablement, les effectifs aussi, les grands programmes d'armement du futur sont réduits à la portion congrue.

En un mot, la France changerait de rang.

Au moment où la Grande-[Bretagne](#) choisit, hélas, le même chemin, la France renoncerait à [appartenir](#) au club des puissances militaires qui comptent encore et placerait de facto sa sécurité sous le parapluie américain. C'est

absurde stratégiquement : les menaces ne diminuent pas, les Etats-Unis se retirent d'[Europe](#), seule région à désarmer quand toutes les autres – [Russie](#), [Brésil](#), [Chine](#) – accroissent leur effort de défense.

C'est une bêtise économique et sociale, tant seraient touchés l'[emploi](#) ou le savoir-faire technologique. C'est injuste politiquement : plus qu'aucun autre secteur de l'Etat, l'armée a su se réformer pour [devenir](#) l'un des [services](#) publics les plus efficaces. A bien des égards, elle est même un modèle de formation professionnelle et d'intégration.

Il y a une solution. [Renoncer](#) à de pareilles coupes et [obtenir](#) ceci au sein de l'[Union européenne](#) : Londres et Paris assurant l'essentiel de la défense de l'Europe, leurs dépenses militaires devraient être largement défalquées dans le décompte des fameux 3 % de déficit budgétaire. Ce serait de bonne guerre, si l'on peut [dire](#).

Éditorial du "Monde"

Aller plus vite vers l'union bancaire

Le cinquième plan d'aide internationale en faveur d'un Etat de la zone euro a montré la difficulté, pour ne pas dire l'impossibilité, qu'il y a à gérer une zone monétaire.

Editorial LE MONDE | 25.03.2013 à 11h36 • Mis à jour le 25.03.2013 à 12h23 Editorial du "Monde"

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Tout bon CV pour prétendre à un poste de dirigeant dans la techno-structure de la zone euro devrait [comprendre](#) l'obligation d'[avoir](#) été un fervent *night clubber* – un habitué de la vie nocturne. Car il en va de la gestion de la zone euro comme des affaires agricoles européennes : on "opère" la nuit, très tard. Tant il est vrai qu'il s'agit de la gestion d'intérêts parfaitement contradictoires.

Le cinquième plan d'[aide](#) internationale décidé en faveur d'un Etat de la zone euro au bord de la faillite a confirmé la règle. Après la [Grèce](#), l'[Irlande](#), le [Portugal](#) et l'[Espagne](#), [il a fallu attendre l'aube bruxelloise, lundi 25 mars, pour que l'Eurogroupe entérine un plan d'assistance en faveur de Chypre.](#)

Comme lors des précédents, il s'agit d'un appui apporté à la fois par le Fonds monétaire [international](#) (FMI) et les Européens. En contrepartie d'un prêt de 10 milliards d'euros, Nicosie s'engage à une réduction drastique de son secteur bancaire. Le gouvernement ferme la deuxième banque du pays, Laiki ; les détenteurs de créances et de fonds de plus de 100 000 euros vont [subir](#) d'énormes pertes.

Le Parlement chypriote avait, la semaine dernière, rejeté un premier plan d'aide. Il comprenait notamment une taxe sur les dépôts bancaires de moins de 100 000 euros. Elle frappait les moins fortunés des déposants. Elle donnait l'impression qu'on s'attaquait à la garantie que les Etats accordent aux dépôts bancaires jusqu'à 100 000 euros. Elle aurait pu [provoquer](#) une panique bancaire dans toute l'[Europe](#).

Regarder la chronologie [La descente aux enfers inattendue de Chypre](#)

Le FMI et les Européens l'ont abandonnée. Ils obtiennent, en retour, l'assainissement impitoyable d'un secteur bancaire hypertrophié, au coeur d'une économie en faillite : **paradis fiscal peu regardant sur la provenance de fonds – notamment russes –, qui furent ensuite massivement, et malencontreusement, investis en dette grecque !**

On pardonnera aux Européens la bourde de la semaine passée. Elle n'est pas seulement le reflet d'un mauvais fonctionnement institutionnel. **Elle témoigne, et c'est plus grave, de l'in vraisemblable difficulté, pour ne pas dire impossibilité, qu'il y a à gérer une zone monétaire comprenant des économies aussi asymétriques que l'allemande et la chypriote. L'aberration, c'est [Chypre](#) dans la zone euro – pas le reste, qui doit [concilier](#) les intérêts d'un casino méditerranéen et ceux des contribuables allemands.**

L'affaire chypriote confirme, au minimum, l'urgente nécessité d'une supervision commune des banques de la zone.

The Mindset



(on Germany's domination...)

Submitted by Mark J. Grant, author of *Out of the Box*,

74,134

The Mindset

In all of the tortuous moments that have taken place with the European Union the one thing that has become apparent is a radical change of mindset. **In the beginning there was a kind of democratic viewpoint.** All nations had a voice and while some were louder than others; all were heard. **This is no longer the case.**

There is but one mindset now and it is decidedly German. It is not that this is good or bad or even someplace in between. That is not the real issue. **The crux of the matter is that not all of the people in the EU are Germans and so they are not used to being treated in the German fashion,** they do not live their lives like Germans and, quite importantly, they do not wish to be Germans.

There is the problem.

The Germans will do what is necessary to accomplish their goals. There is nothing inherently bad or evil about this but it is taking its toll on many nations in Europe. **In the case of Greece** they went back and retroactively changed the covenants of the bond contract. They did not actually admit this of course and they called it other names but that is what they forced on Greece. In doing so they got the bond holders to shoulder a good deal of the expense of the bailout of Greece. You can say, "Right," you can say, "Wrong," but that is what they did. They accomplished their goal.

Always remember that the Germans are under severe financial pressure. They are still paying the bill for the East Germans. They support Target2 and their economy is just \$3.6 trillion which is a fraction of the entire Eurozone. They are trying to support a house with less than desirable supports.

Then we come to Cyprus and they make it complicated and put one bank with another bank and take money from depositors and call it a "Tax" and say that people and institutions are liable for where they keep their money when it is more than 100M Euros. All true of course but they do not allow for any "Rule of Law" or "Due Process" by the judicial system but just mandate that the money will be used to help pay Europe for a loan to the sovereign government. Then they also tagged senior bond holders reversing their position of the last years so now, so that it can now be said with accuracy; everyone is at risk. Consequently they have to pay less and they have accomplished several goals which are to punish a "Casino Economy," to put Cyprus in the same position as Greece, which is not only bankrupt but a ward of the European Union, and finally to insist, by the use of money, that Cyprus succumbs to the German demands. Note that CDS in Europe (Markit iTraxx Financial Index) has jumped 22% in just one week.

It is the occupation of Poland in a very real sense just accomplished without tanks or bloodshed as money is used instead of armaments to dominate and control a nation. Politically you may "Hiss" or you may "Applaud" but there are consequences here for investors that must be understood.

First and foremost is that they will not stop. Nothing will be allowed to get in their way. It can be senior bond holders one day, bank depositors the next, the dismantling of some Parliament on the day after that, a wealth tax on corporations on Thursday, the disallowance of dividends on Friday; with every announcement to come on Saturday evening. The next week can be a cap on bank bonuses, a demand that the cap on bank bonus savings be returned to the State, a financial transaction tax that gets expanded and taxes all bond coupons and the list goes on. What might be, could be, and nothing, absolutely nothing, will be allowed between Germany and her desire to control all of Europe.

I do not speak of motivation here. I am not bashing Germany in the furtherance of their desires. That is a useless and unnecessary exercise. However, **what is profoundly necessary, if you invest in Europe, is to understand the risks that you are taking.** If you place money in securities on the Continent then what is yours is theirs when they want it. I suggest you clearly understand that proposition and allow for that occurrence.

You no longer have any excuse after Greece and Cyprus. **Everything may be called "one-off" but nothing is "one-off" as Germany expands its power wherever they can and by any means necessary.** If you believe the propaganda, if you believe what you are told every day by the Press then I can virtually assure you that you will suffer dire consequences at some point and you will now have no one to blame but yourself.

There is also one "unintended consequence" of Cyprus and Greece. No one is going to invest in the local banks. Keeping money in the German banks, the Swiss banks or maybe even the French banks may go on but the local banks in each country are finished. In a clever move, the problems with Greece and Cyprus will drive the money from the local banking institutions in the troubled countries. Watch for capital flights in Spain, Portugal and Italy as their banks will be found unsafe and with good reason.

It is unknown, as of yet, if Germany can win this game. What can be said though is that, nation or investor, you will put yourself at peril by getting in their way. The current risks, in my opinion, are dramatically more than imagined by many or generally thought to be the case. There is no more investing in Europe just gambling and speculating and suffering the consequence of either. Anything can be changed, anything can be modified, and when the forfeiture of people's savings is trumpeted as a "Tax" then even the English language has lost some of its meaning.

"Better to be safe than sorry," has never had such important consequences as it does now in the European arena of the Great Game.

Cyprus - To Template, Or Not To Template: That Is The Wall Street Question

Submitted by [Tyler Durden](#) on 03/26/2013 07:49 -0400

74,136

After one of the most fabulous verbal faux pas in recent history was committed yesterday, in which the truth briefly escaped the lips of the new Eurogroup head who still has to learn from his masterful "*when it becomes serious you have to lie*" predecessor and ever since both he and all of uber-incompetent Europe have been desperate to put the genie back into the bottle to no avail, everyone has been caught in a great debate: **to template, or not to template?** Below is a summary of Wall Street's thinking on this key for so many European (and soon global) depositors.

Deutsche Bank:

- Damage from Dijsselbloem's earlier message was done even as he tried later to clarify his Cyprus template remark, Jim Reid, head of fundamental strategy at Deutsche Bank, writes in note
- Cat increasingly let out of bag in past week on different ways to resolve future banking and sovereign crises; comments yday add to risk nothing is off the table when it comes to future issues
- Investors and creditors may also take the view that there's increasing inconsistency about future rescues

Barclays:

- Dijsselbloem's comments reflect clear misalignment in views among Europe's leaders on structure and timing of banking resolution, Fabrice Montagne, economist at Barclays, writes in note
- Expect policymakers to clarify ESM role at upcoming EU summit in June; no clarity at the moment on whether ESM will take full responsibility for bank recapitalization for weak banks once the single supervisory mechanism is in place

Morgan Stanley:

- Cyprus bailout shows increasingly apparent change in EU approach to place burden on investors and depositors rather than tax payers, Hans Redeker, strategist at Morgan Stanley, writes in note
- Dijsselbloem's comments of Cyprus template is consistent with the change in approach to bailouts even after he back-pedaled; comments consistent with those of Merkel and recent bank nationalization in Holland
- Investors who recently returned to peripheral mkts may be deterred by perceived change, increasing EUR's downside risk

Rabobank:

- Dijsselbloem's comments, together with the ditched plans to take on small deposit holders, show genuine change in approach to solve banking sector problems
- In future, tax payers may not be the only source to absorb banking sector losses; re-fragmentation in Eurozone could be a consequence of Cyprus deal
- Negative for Ireland if Dijsselbloem's comments do point at a change in stance; inability to resort to ESM to take over recapitalization of Irish banks may complicate exit from bailout

BNP:

- Although Dijsselbloem's comments were partly retracted, mkts have interpreted it as indication that private sector bail-ins will need to play a larger role in any future bailouts, Steven Saywell, strategist at BNP writes in note

Citigroup:

- Investors bought peripheral bank shares and corporate bonds in the belief Europe is heading towards a banking union with single supervision and an ESM-backed bank resolution mechanism, Valentin Marinov, strategist at Citigroup, writes in note
- That belief is badly shaken; euro-denominated assets are vulnerable, adding to more EUR downside risk

SocGen:

- Europe is establishing the principle that sovereigns will not bear the whole burden of bank bailouts, but sovereign failure is even less acceptable than before, Kit Juckes, strategist at SocGen, writes in note
- Dijsselbloem's timing was awful but there's no point saying banks must not be too big too fail, and then bailing out all bondholders and depositors when they do fail
- Bank regulators will be more conservative, savers more nervous and monetary transmission mechanism more broken

ING:

- Eurozone bank stocks were hit hard yday on comments Cyprus is the new benchmark for bailouts; international investors will be monitoring deposit flows and Luxembourg and Malta, given that bank asset to GDP is now a popular metric, Chris Turner, strategist at ING, writes in note

Source: Bloomberg

Bailout Insights

What Cyprus Tells Us about Germany's Character

A Commentary by Tyson Barker

74,138

The Cypriot government was willing to do anything to save its banking industry. Yet Berlin, driven by a deep-seated fear of tax havens, sought the opposite. The resulting deal may have driven a stake through the heart of the euro-zone's much ballyhooed banking union.

The architects of the euro had one primary strategic goal. It was, to play on Lord Ismay's famous quip about NATO, to keep the Americans out, the Germans in and the Mediterranean states down -- at least as far as monetary policy was concerned. The Cypriot bailout package, which Dutch Finance Minister and Euro Group chief Jeroen Dijsselbloem said should be a model for future rescue packages, certainly holds true to this dictum.

Cyprus will now have to find a new trade. With its banking sector halved, the country faces a difficult if not impossible challenge to re-establish its status as a financial oasis. The high-risk political economy that fueled the tiny island-nation since 1974 has ended. Iceland, facing a similar calamity in 2008, re-discovered fishing.

The deal with the European Union and the International Monetary Fund that emerged on Monday grants Cyprus a €10 billion (\$13 billion) loan that will not be used for bank re-capitalizations. In return, Cyprus will wind down the state-owned Laiki Bank and shift its salvageable components (along with €9 billion of European Central Bank debt) to the Bank of Cyprus. Laiki's uninsured depositors and bondholders will be wiped out. Bank of Cyprus depositors will also be heavily hit, allowing the country's debt-to-GDP ratio to remain at a sustainable level that can be brought down to 100 percent by 2020, according to the IMF.

The story behind the deal played out for months in Berlin. The Cypriot government originally lodged its request for an aid package in June 2012. While then-Cypriot President Demetris Christofias delayed negotiating formal terms for an assistance package, German parliament -- primed by four previous debates on bailout packages involving the European Stability Mechanism (ESM) -- had fierce discussions on the issue.

'Cesspool of Profligacy'

Germans have long had a deep-seated antipathy to tax havens and have sought to correct the arbitrage in the financial system that gives rise to them. This intolerance has been a mainstay of the German approach to global governance for the last five years. Berlin's 2008 pursuit, via the purchase of stolen data, of uncollected taxes on accounts held at LGT Bank by some 600 prominent "Davos men", including former Deutsche Post CEO Klaus Zumwinkel, led to a diplomatic incident between Germany and Liechtenstein. In 2010 the German government pursued tax evaders in Switzerland with a similarly shadowy data acquisition. Germany joined France in 2009 to push for G-20 sanction mechanisms, and Berlin has used domestic laws to compel tax havens to adhere to rules set out by the OECD in its codex of uncooperative offshore banking centers.

For the Germans, the Cypriot saga played into political tropes about moral hazard and free-riding tax havens. One German public intellectual described Cyprus in the *Financial Times* as a "cesspool of profligacy and haven for tax-dodging Russian oligarchs." German media are providing detailed analyses of other tax havens to which their countrymen might be exposed. The daily *Die Welt* declared recently that the tax haven as an economic model has been "exhausted." Luxembourg, with a financial sector more than five times the size of its €44 billion GDP has come under particular scrutiny. With a financial sector twice the size of its GDP, the United Kingdom could also become a point of interest.

How did the inclusion of wealthy foreign depositors in the Cypriot bailout become such an issue for Germany? Politics and polls. Despite its international critics, the euro-zone crisis management of Chancellor Angela Merkel's government has been virtually unassailable at home. The chancellor's personal approval rating is 68 percent and that of her government, just six months before national elections, hinges on her measured approach to the currency crisis. Given the general Teutonic hostility to tax havens and indignation about using taxpayer money to aid Russian oligarchs, it was clear that Berlin would insist on putting some proportion of uninsured deposits towards Cypriot debt repayment.

A Back-Door Transfer Union?

What is remarkable -- as the political forensics of the original March 16 bailout deal have become clear -- is that the Germans and others gave Nicosia great leeway to set additional terms of that initial bailout plan. The Cypriot government then broke precedent to include small deposits in the "bail-in" scheme, only to have parliament reject the move. The government's second major decision -- to protect Russian depositors at the expense of its own citizenry -- was also woefully impolitic, not just in Cyprus but also in Germany. Commentators have compared the idea of imposing losses on *insured* depositors to the October 2010 Deauville Declaration, which broached the possibility of haircuts on sovereign debt. The latter set up the eventual participation of sovereign-bond holders in Greece's debt restructuring.

In the end, insured deposits in Cyprus remained off limits. But German conditionality on the hit to uninsured depositors was left intact and even made more onerous.

Still, more precedents may be broken, such as the establishment of capital controls, which Cyprus is now mulling. Any such controls could be a direct violation of the treaties that form the basis of the EU's "free movement of capital," one of the theoretically sacrosanct "four freedoms of the single market."

Perhaps even more worryingly, the Cypriot crisis has put the credibility of the EU's banking-union project in doubt as deposit insurance -- long seen as the project's most difficult aspect -- becomes more urgent. Even the notion of direct bank recapitalization through the European Stability Mechanism, enshrined amid great fanfare in last summer's EU summit, seems to be in question.

Both of these policies continue to sit uncomfortably with the Germans, who see them as a back-door transfer union. Given the upcoming German elections, the Merkel government is unwilling to confront these truths, even if it acknowledged them at the EU summit in July 2012. German politics remains the central democratic process in euro-zone crisis management. The final March 25 bailout deal, after all, will not be voted on by the Cypriot parliament. But it will be voted on by lawmakers in Berlin.

Tyson Barker is director of trans-Atlantic relations at the Washington, D.C.-based Bertelsmann Foundation.

World from Berlin

Cyprus Chaos 'Doesn't Inspire Hope for EU Future'

With Cyprus racing to install capital controls before re-opening its banks on Thursday, German media commentators say the island has only itself to blame for its plight. They also warn though that the tough bailout terms are a fresh sign of waning solidarity among euro-zone member states.

Banks in Cyprus will remain closed until Thursday to prevent a run on deposits in the wake of the [bailout deal](#) reached on Sunday night that imposes a major levy on big depositors, many of them Russian, and shuts down the second-largest bank, Cyprus Popular, also known as Laiki.

Cypriot Finance Minister Michalis Sarris told the BBC that the government was still hammering out details of capital controls on the size and amount of money people will be allowed to withdraw. He said the controls would "probably be a bit stricter" on the two largest banks, Bank of Cyprus and Laiki. He also said people with deposits of more than €100,000 (\$129,000) could see about 40 percent of their deposits converted into bank shares.

Meanwhile, even though the banks have been closed since March 16, large amounts of money have been withdrawn from them, according to Reuters. The news agency quoted an EU source saying the Central Bank of Cyprus had requested more banknotes from the European Central Bank than were warranted in terms of the withdrawals it was reporting to the ECB.

The scale of the outflow isn't known. Money has been moved out in various ways. Transfers for trade in humanitarian products, medicines and jet fuel remain allowed, for example. In addition, Laiki and Bank of Cyprus have units in London which remained open throughout last week and they placed no limits on withdrawals, according to Reuters. Bank of Cyprus also owns 80 percent of Russia's Uniastum Bank, which put no restrictions on withdrawals in Russia.

Within hours of the bailout being agreed on, the head of the Euro Group of euro zone finance ministers, Jeroen Dijsselbloem, fanned market uncertainty on Monday by saying it would serve as a model for dealing with future euro zone banking crises -- a departure from previous rescues in which taxpayers have had to foot the bill. The comment unsettled investors with assets in larger euro-zone nations and sent share prices and the euro tumbling. Later in the day, Dijsselbloem backtracked and said Cyprus was a special case.

The terms of the bailout have predictably [angered Russia](#), and Germany is once again being vilified for taking a hard line. German media commentators say that while Cyprus brought its problems on itself, the rescue reveals an erosion of solidarity among euro-zone members after three years of crisis. The messy wrangling that preceded the bailout has done lasting damage to the EU, they add.

Conservative **Frankfurter Allgemeine Zeitung** writes:

"The Cypriots may see themselves as victims, but their European partners aren't to blame for the mess. The case of Cyprus shows how rife alienation and anger are among Europeans: Many in the crisis-hit nations are blaming their plight not on their own corrupt elites or bad governance but on supposedly unsympathetic EU governments, meaning the supposedly neo-hegemonial Germans. The donor countries in turn feel they are the victims of blackmail who are rewarded for their help with insults. At the start of the fourth year of the debt and euro crisis, one can't help but register that trust and empathy have been eroded along the way. It doesn't inspire hope for the future of the EU."

Center-left **Süddeutsche Zeitung** writes:

"This drastic infringement of property rights was possible due to the unique constellation in Cyprus: Cyprus is the third-smallest country of the European Union, so its political weight isn't very relevant. Cyprus set up a dubious business model that attracted dubious people; they're now being punished, so the burden isn't necessarily hitting the wrong people. The expropriation satisfied the sense of justice of most Germans, and not just them."

"Thirdly, a remarkably poor set of Cypriot politicians refused to see reason for much too long, and in the last week displayed an unpleasant gambling mentality. Anyone who manages in just four days to alienate the entire euro zone, discredit the Euro Group chief, tries to involve Russia in a circumventing maneuver and welds together the German government and opposition in an election year has failed to understand a few basic rules on transparency and policymaking in Europe."

"In this unique combination, Cyprus will remain a unique case. But Europe has changed a lot as a result of this rescue drama. The readiness to show solidarity is eroding by the minute. The euro zone has long since stopped being a brotherhood for increasing prosperity and mutual stability. It has transformed itself into a school of gladiators in which everyone fights for his own advantage and his survival."

Conservative **Die Welt** writes:

"The solution for Nicosia is no blueprint for dealing with other bank crises. Authorities wouldn't dare to repeat such a procedure in Italy or Spain. If a bank has obtained most of its money from other banks or financial institutions, a radical cut becomes far more complicated because the consequences would eat through the entire financial system. The collapse of Lehman Brothers made this dramatically clear."

"While the international impact of the Cypriot bank restructuring is likely to remain limited, the island nation itself will struggle. Not just rich foreigners but many Cypriot companies will lose a large part of their deposits -- which will inflict major damage on the country's economy."

"The Cypriot compromise is a big experiment. Its outcome will determine how Europe tackles future crises. And whether taxpayers will in future be able to avoid always having to foot the bill for troubled banks."

Left-wing daily **Die Tageszeitung** writes:

"The case of Cyprus will mean once again that billions of euros will be shifted around. Whenever there's a minor problem, investors in Portugal, Italy or Spain will hurriedly transfer their money to Germany or the Netherlands. They will all try to turn their Spanish or Italian euros into German or Dutch euros. The monetary union may still exist, but it is history nonetheless. Officially we may still have one euro, but in effect we've had 17 different euros for a long time now."

Mass circulation **Bild** writes:

"The washing machine for illegal Russian money has been switched off! And the Kremlin is fuming. When Cyprus needed savings, Russia didn't lift a finger. Now it's throwing dirt at the rescuers. For Russia's billionaires, Cyprus was a euro colony where they could increase their wealth. It's only fair that they and not the small savers have to pay a high price for rescuing Cyprus."

"Anyone who describes that as theft -- as the Russian prime minister did -- can't be a man of the people. He's a servant of the billionaires. And people who compare the share that the Russians now have to pay with the evil robbery of Jewish assets lacks character and knows no shame."

Left-wing daily **Berliner Zeitung** writes:

"The European Union too has been damaged. People will remember the rudeness of the German finance minister, who was more focused on public sentiment in Germany than on the welfare of the community. And the politicians have made one thing clear to all investors and savers inside and outside the currency union: If you invest your money in the euro zone, you take on enormous political risks in addition to economic ones. This loss of confidence will have lasting impact, in the crisis-hit nations and far beyond Europe's borders."

-- *David Crossland*

26. März 2013, 17:22 Uhr

Krisen-Manager Dijsselbloem

Fehlstart für den obersten Euro-Retter

Von [Carsten Volkery](#), London

74,142

Er verwirrt die Märkte, er sorgt mit seinem Verhandlungsstil für Ärger. Gerade erst im Amt scheint der neue Euro-Gruppen-Chef Dijsselbloem mit der Krise überfordert. Dabei zeigt sein Lavieren nur die Widersprüche in der Währungsunion.

Die Klarstellung fiel deutlich aus: Jeroen Dijsselbloem habe "etwas Falsches" gesagt, erklärte das französische EZB-Vorstandsmitglied Benoit Coeure dem Radiosender "Europe 1". Kein anderes europäisches Land sei in einer vergleichbaren Lage, Zyperns Probleme seien einzigartig.

Die EU-Kommission beeilte sich zu versichern, dass die Einbeziehung von Großspargern und Gläubigern bei der Rettung der zyprischen Banken keinesfalls ein Modell für die Zukunft sei. "Der Fall Zypern ist einzigartig, und zwar aus vielerlei Gründen", sagte die Sprecherin von EU-Binnenmarktkommissar Michel Barnier.

[Grund für die besorgten Wortmeldungen waren die Interviewäußerungen des Chefs der Euro-Gruppe.](#)

Dijsselbloem hatte die Beteiligung von Anteilseignern, Gläubigern und Großkunden an Zyperns Bankenrettung zum Modellfall erklärt. In Interviews mit der "Financial Times" und der Nachrichtenagentur Reuters hatte der Niederländer verkündet, der Privatsektor müsse sich darauf einstellen, bei künftigen Rettungsaktionen in anderen Ländern ebenfalls herangezogen zu werden. Ganz nebenbei suggerierte er auch noch, ausgerechnet der Stabilitäts-Musterschüler Luxemburg könne wegen seines großen Bankensektors Probleme bekommen.

Zypern war also doch kein Sonderfall, wie die Euro-Gruppe zuvor stets betont hatte? Die Freude der Anleger über das jüngste Euro-Rettungspaket verpuffte, Aktien und Euro gingen auf Talfahrt. Dijsselbloem beeilte sich anschließend, seine Aussagen zurückzunehmen. Er sei falsch interpretiert worden, teilte er mit. Natürlich sei Zypern ein Sonderfall.

Es ist nie ein gutes Zeichen, wenn ein Politiker seine eigenen Aussagen widerrufen muss. Es ist kein Zeichen für Souveränität, wenn sich andere Beteiligte im Anschluss mit Klarstellungen zu Wort melden. Und katastrophal wirkt es, wenn es inmitten einer aufgeheizten Debatte um die Zukunft der Euro-Zone geschieht. Klarheit und Geschlossenheit wären nötig, stattdessen wirkten die Euro-Retter wieder mal uneins.

Kein Wunder, dass Dijsselbloems unabgesprochener Vorstoß unter den Kollegen der Euro-Gruppe für Kopfschütteln sorgte. Allerdings wollte ihn kein Minister angreifen.

Gehört Euro-Land wieder in Juncker-Hand?

Dijsselbloems ungeschicktes Agieren warf umgehend die Frage auf: Ist der 46 Jahre alte Neuling mit dem Job überfordert? Schließlich war der Interview-Fauxpas nicht der erste Patzer in den vergangenen Wochen.

Ihm wird vorgeworfen, dass die Euro-Gruppe unter seiner Führung einen der schwersten Fehler ihrer Geschichte begangen hat. Vor zehn Tagen hatten die 17 Finanzminister beschlossen, Kleinsparer für die Sanierung der zyprischen Banken heranzuziehen. Dies war zwar auf Drängen der zyprischen Regierung geschehen, doch wurde damit die Einlagengarantie der EU für Sparguthaben unter 100.000 Euro in Frage gestellt.

Schuld sind natürlich alle Finanzminister. Insbesondere erfahrene Politiker wie [Wolfgang Schäuble](#) hätten die explosive Symbolkraft dieses Schritts erkennen müssen. Doch die Verantwortung blieb an Dijsselbloem hängen. Er musste sich anhören, dass sein erfahrener luxemburgischer Vorgänger [Jean-Claude Juncker](#) diesen Beschluss mit Sicherheit verhindert hätte.

Auch Dijsselbloems Verhandlungsstil wird gerügt. Er sei mit den Zypriern zu rüde umgesprungen, heißt es in Brüssel. Die Gespräche seien auch deshalb so schwierig und chaotisch gewesen, weil Zyperns Präsident Nikos Anastasiades sich schlecht behandelt fühlte. Es war ein deutliches Misstrauensvotum, dass EU-Ratspräsident [Herman Van Rompuy](#), EU-Kommissionspräsident [José Manuel Barroso](#) und IWF-Chefin [Christine Lagarde](#) am Wochenende die Verhandlungsführung an sich zogen. Den ganzen Sonntag wurde auf Chefebene verhandelt. Die Finanzminister hingegen mussten bis Mitternacht warten, bevor sie den Kompromiss abnicken durften.

EU-Linie zur Privatsektorbeteiligung nebulös

Doch ist die Kritik an Dijsselbloem berechtigt? Oder müsste sie nicht vielmehr die gesamte Euro-Gruppe treffen? Schließlich ist der Vorsitz nur ein zeremonieller Posten. Dijsselbloem hat keine eigene Entscheidungsbefugnis, er ist nur Primus inter Pares. Einige andere Finanzminister, allen voran Schäuble, waren nicht weniger ruppig im Umgang mit den Zypriern. Und die widersprüchlichen Aussagen zur Beteiligung des Privatsektors reflektieren nur die unklare Strategie der Euro-Gruppe. Erst die Zukunft wird zeigen, ob Zypern wirklich Sonderfall oder doch Modellfall ist.

Die Linie der EU-Kommission ist nicht weniger nebulös. Barniers Sprecherin sagte, Zypern sei kein perfektes Modell, das man in Zukunft wieder nutzen wolle. Grundsätzlich sei es aber schon wünschenswert, dass der Steuerzahler aufhöre, für die Fehler der Banken zu zahlen.

Der Showdown um Zypern wirft ein Schlaglicht auf den größten Nachteil, mit dem Dijsselbloem zu kämpfen hat: Er hat nicht die gleiche Gravitas wie sein Vorgänger Juncker. Nicht nur ist der niederländische Sozialdemokrat zwei Jahrzehnte jünger, er ist auch nicht Regierungschef. Weil Juncker Finanzminister und Premierminister in Personalunion war, konnte er stets mit allen Beteiligten auf Augenhöhe sprechen. Im Umgang mit dem zyprischen Präsidenten hätte das vielleicht geholfen.

Dijsselbloems Problem: Ändern kann er daran nichts. Er wird mit seinem Handicap leben müssen - ebenso wie mit der Widersprüchlichkeit der Euro-Gruppe. Als Vorsitzender wird er noch häufiger zum Blitzableiter gemacht werden.

Mit Material von dpa

Debate: The “Latin Empire” should strike back

26 March 2013

[Libération](#) Paris

74,144



Detail from the 2nd century Portonaccio sarcophagus, representing a battle between Romans and Germans.

Italian philosopher Giorgio Agamben has revived the idea of a union of Southern European countries, a proposal first launched by another philosopher, Alexandre Kojève, just after World War II. This "Latin Empire" could act as a counter weight to the dominant role played by Germany in the European Union.

[Giorgio Agamben](#)

In 1945, Alexandre Kojève, a philosopher who was also a high-level French civil servant, wrote an essay called [The Latin Empire: Outline of a doctrine for French policy](#). This essay [in fact a memo to the head of the Provisional Government, General Charles de Gaulle] is so topical that it is still of great interest today.

Showing amazing foresight, Kojève maintained that Germany would soon become Europe's main economic powerhouse and that France would be reduced to a secondary power within Western Europe. He also lucidly predicted the end of nation states that had, until then, determined European history. As the modern state had emerged with the decline of feudal political formations and the emergence of nation states, so the nation state would inevitably cede the way to political formations, which he called "empires", that would transcend national borders.

Urgent need to refocus on cultural ties

These empires could not be based, Kojève argued, on abstract units that were indifferent to genuine cultural, lifestyle and religious ties. Empires – like the "Anglo-Saxon Empire" (United States and United Kingdom) and the Soviet Empire which he could see for himself at the time — had to be "transnational political units but that were formed by kindred nations".

This is why Kojève proposed that France should play a leading role in a "Latin Empire" that would economically and politically united, with the consent of the Catholic Church whose traditions it would inherit, the three major nations whose languages are derived from Latin (France, Spain and Italy), while at the same time opening up to the Mediterranean nations. According to Kojève, Protestant Germany, which would soon become the richest and most powerful European nation (which it did, in fact, become) would inevitably be

swayed by its extra-European tendencies and turn towards the Anglo-Saxon Empire — a configuration in which France and the Latin nations would remain a more or less foreign body, obviously reduced to the peripheral role of a satellite.

Today, now that the European Union has been formed by ignoring the concrete cultural links that exist between nations, it might be useful – and urgent – to revive Kojève's proposal. What he forecast has turned out to be true. This Europe that strives to exist on a strictly economic basis, abandoning all true affinities between lifestyles, culture and religion, has repeatedly shown its weaknesses, especially at the economic level.

A Greek is not a German

The EU's so-called unity is beginning to crack and one can see to what it has been reduced: the imposition on the poorest majority of the interests of the richest minority. And most of the time, these interests coincide with those of a single nation, which nothing in recent history should encourage us to see as exemplary. Not only is there no sense in asking a Greek or an Italian to live like a German but even if this were possible, it would lead to the destruction of a cultural heritage that exists as a way of life. A political unit that prefers to ignore lifestyles is not only condemned not to last, but, as Europe has eloquently shown, it cannot even establish itself as such.

If we do not want Europe to inevitably disintegrate as many signs seem to indicate it is, it would be appropriate to ask ourselves, without delay, how the European Constitution (which is not a constitution under public law, but rather an agreement between states, either not submitted to a popular vote or – as in France – flatly rejected [by 54.67 per cent of French voters]) can be reconfigured anew.

We could, thus, attempt to turn political reality into something similar to what Kojève called a "Latin Empire".

Armutsvergleich

Die Statistik überzeichnet das Armutsproblem

26.03.2013 · Wächst hierzulande die Armut? Eine Vergleichsstudie weckt Zweifel. In der EU ist Dänemark am fairsten, doch auch Deutschland steht gut da.

Von Dietrich Creutzburg, Berlin

74,146



© dapd Das Institut der deutschen Wirtschaft hat einen umfangreichen Armutsvergleich veröffentlicht

Subjektiv empfundene Armut ist in Deutschland weit weniger stark ausgeprägt als statistisch gemessene Armut. 11 Prozent der Bevölkerung vertreten die Einschätzung, dass ihr Haushaltseinkommen deutlich unter dem nach eigenem Maßstab notwendigen Mindestniveau liegt. 16 Prozent gelten aber nach der am meisten verbreiteten statistischen Definition als „relativ arm“ - ihr Haushaltseinkommen beträgt weniger als 60 Prozent des mittleren Niveaus im Land.

Im Durchschnitt der Europäischen Union sind die Verhältnisse dagegen gerade umgekehrt: Der Anteil der subjektiv Armen liegt mit 19 Prozent erheblich höher als in Deutschland, der Anteil der „relativ Armen“ überschreitet dagegen nur geringfügig das deutsche Niveau. Das zeigt ein umfangreicher Armutsvergleich, den das Institut der deutschen Wirtschaft (IW) am Dienstag veröffentlicht hat.

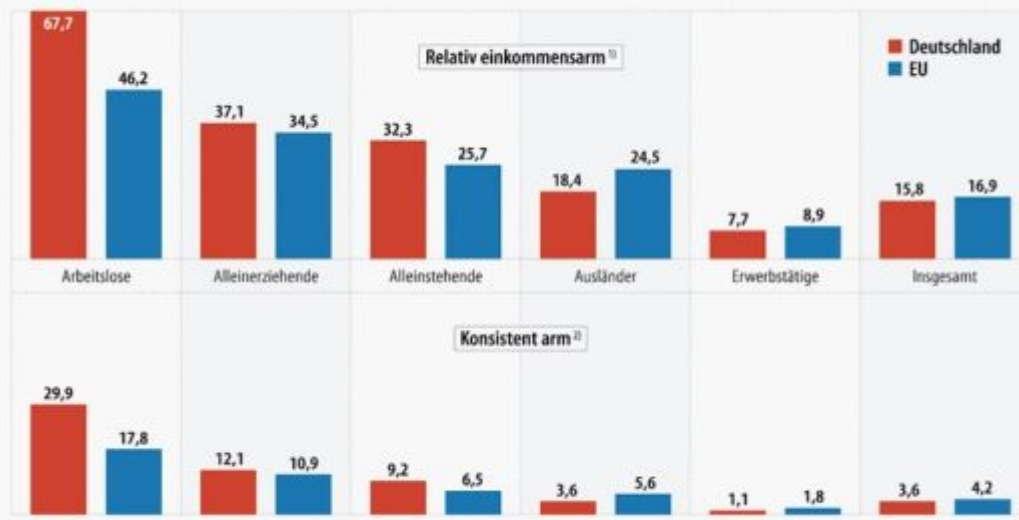
Das europäische Musterland mit den insgesamt geringsten messbaren Armutsproblemen ist nach der IW-Analyse Dänemark, gefolgt von Schweden und Finnland. Deutschland belegt in der aus insgesamt vier Indikatoren ermittelten Rangliste den siebten Platz hinter Österreich und vor Großbritannien und Frankreich.

Die subjektiv empfundene Armut weitete sich aus

Der hierzulande deutliche Unterschied zwischen subjektiv empfundener und relativer Armut ist zum Teil damit zu erklären, dass in wohlhabenden Ländern auch schon ein Einkommen knapp unter der relativen Armutsschwelle von 60 Prozent des gesellschaftlichen Mittelwerts etliche Bedürfnisse abdecken kann. Die Schwächen einer solchen relativen Armutsdefinition können sich aber auch umgekehrt in Krisenländern zeigen, wie IW-Forscher Christoph Schröder am Beispiel Griechenlands anschaulich macht: Die Finanzkrise brachte der griechischen Bevölkerung herbe Wohlstandsverluste. Da die Einschnitte breit genug verteilt waren, sank aber auch die am Medianeinkommen gemessene Armutsschwelle. Die derart ermittelte relative Armutsquote stieg 2010 deshalb nur um einen Prozentpunkt auf 21 Prozent an. Die subjektiv empfundene Armut weitete sich jedoch zeitgleich um 14 Prozentpunkte auf mehr als ein Drittel der Bevölkerung aus.

Armut und Armutsgefährdung

So viel Prozent der Bevölkerung gelten als arm beziehungsweise armutsgefährdet



1) Das bedarfsgewichtete Pro-Kopf-Einkommen eines Haushalts beträgt weniger als 60 Prozent des Median (Wert in der Mitte der Einkommensrangliste). 2) Sowohl relativ einkommensarm als auch depriviert, das heißt, aus einer Liste von neun wichtigen Grundbedürfnissen, z.B. die warme Mahlzeit oder die beheizte Wohnung, können mindestens vier aus finanziellen Gründen nicht erfüllt werden. Stand: 2010
Grafikvorlage/Quelle: Institut der deutschen Wirtschaft Köln, Eurostat / F.A.Z.-Grafik Proton

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Hinweise auf eine deutlich gegenläufige Entwicklung von individuell empfundener und politisch wahrgenommener Armut hatte kürzlich auch der Armuts- und Reichtumsbericht der Bundesregierung geliefert. Er weist unter anderem aus, dass der Anteil der Deutschen, die ihr Einkommen als beschwerlich gering einschätzen, in den Jahren 2006 bis 2010 um 3 Prozentpunkte auf 15 Prozent gesunken ist.

Viele Arbeitslose unter der relativen Armutsschwelle

Betrachtet man das relative Armutsrisiko für einzelne Bevölkerungsgruppen, so fällt auf, dass die Situation für erwerbstätige Menschen nicht nur insgesamt am besten ist. Zugleich fällt in Deutschland ein geringerer Teil der Erwerbstätigen unter die Schwelle von 60 Prozent des Medianeinkommens, als dies im EU-Durchschnitt der Fall ist. Gelten hierzulande 7,7 Prozent der Erwerbstätigen als relativ arm, so sind es in Europa 8,9 Prozent.

Umgekehrt fällt in Deutschland jedoch ein besonders hoher Prozentsatz der Arbeitslosen unter diese relative Armutsschwelle. Mit 68 Prozent liegt ihr Anteil um 20 Prozentpunkte höher als im EU-Durchschnitt. Über die genauen Gründe für diesen großen Unterschied lasse sich bis dato allerdings nur spekulieren, räumte Schröder auf Nachfrage ein. Eine mögliche Erklärung könnte indirekt die gute Arbeitsmarktentwicklung in Deutschland liefern: Da gut qualifizierte Arbeitskräfte überproportional von der erhöhten Nachfrage der Betriebe profitierten, stieg damit das Medianeinkommen an, während umgekehrt in der schrumpfenden Gruppe der Arbeitslosen der Anteil der gering qualifizierten mit geringen Leistungsansprüchen stieg. Misst man nicht die relative Armut und ermittelt stattdessen, welcher Anteil der Arbeitslosen finanziell nur schwer gewisse Grundbedürfnisse abdecken kann, so liegt der deutsche Armutswert mit 30 Prozent nur noch knapp über dem EU-Durchschnitt, zeigt das IW.

Luxembourg minister says Germany seeks euro zone "hegemony"

1:55pm EDT

74,148

By [Andreas Rinke](#)

BERLIN (Reuters) - Luxembourg's foreign minister accused Germany on Tuesday of "striving for hegemony" in the euro zone by telling Cyprus what business model it should pursue.

Like Cyprus, Luxembourg has a large financial sector, whose comparatively light-touch tax and regulatory regime has long irked its much bigger neighbors Germany and France.

Germany, the European Union's biggest and most powerful economy, had insisted that wealthy depositors in Cyprus's banks contribute to the island's bailout and said the crisis has killed a "business model" based on low taxes and attracting large foreign deposits.

"Germany does not have the right to decide on the business model for other countries in the EU," Foreign Minister Jean Asselborn told Reuters. "It must not be the case that under the cover of financially technical issues other countries are choked."

"It cannot be that Germany, France and Britain say 'we need financial centers in these three big countries and others must stop'."

That was against the internal market and European solidarity, and "striving for hegemony which is wrong and un-European," he said.

Cyprus had faced bankruptcy and possible ejection from the euro zone without a rescue deal with international lenders that was finally sealed in the early hours of Monday and included a clause penalizing large bank depositors.

Cypriot banks remained closed on Tuesday due to fears of a run on deposits and were not expected to reopen until Thursday.

The Cyprus crisis has revived criticism of Germany in parts of the euro zone, especially the austerity-battered south where voters and commentators have long complained of what they see as Berlin's domineering attitude and insensitivity to their pain.

But criticism from core northern states such as Luxembourg - a founder member of the EU and euro zone - is less common.

"PROBLEM COUNTRIES"

Asselborn said it was crucial that smaller EU states in particular were allowed to develop certain economic niches.

Germany should also keep in mind it was a prime beneficiary of the euro zone crisis because its borrowing costs have plunged as nervous investors seek safe havens, Asselborn added.

The tough stance on the banking and taxation policies of countries such as Cyprus crosses Germany's political divide.

On Tuesday, Joachim Poss, deputy leader of the main opposition Social Democrats in parliament, said the EU must insist on reforms in other financial centers guilty of "tax dumping" in the euro zone such as Luxembourg, Malta and Ireland.

Responding to Asselborn's comments, Poss said: "In the long term no business model can be tolerated in a market economy that circumvents fair competition. Of course Luxembourg belongs to the group of problem countries."

German politicians have stepped up their attacks on tax evasion ahead of federal elections in September.

(Writing by Gareth Jones; Editing by John Stonestreet)

The FT/Reuters Dijsselbloem interview transcript

March 26, 2013 12:21 pm [by Peter Spiegel](#)

74,150



Dijsselbloem, centre, at a press conference Monday announcing the €10bn Cyprus bailout.

The [joint FT-Reuters interview](#) with Dutch finance minister and eurogroup president Jeroen Dijsselbloem after the all-night talks to secure [Cyprus' €10bn bailout](#) has caused a lot of discussion and debate. Dijsselbloem [issued a statement](#) after we published saying Cyprus is “a specific case with exceptional challenges” and that “no models or templates” will be used in the future.

To clarify what Dijsselbloem said, we’ve decided to post a transcript of the portion of the interview dealing with how the eurozone might deal with bank failures in the future in light of the Cyprus example.

The interview we conducted alongside [Brussels bureau chief Luke Baker of Reuters](#) lasted about 45 minutes, and the portion on bank resolution lasted for about 10 of those minutes. The interview started out with some Cyprus-specific questions – like how capital controls might work, whether Dijsselbloem had learned any lessons from the Cyprus experience – and then shifted to a discussion about whether north-south relations were hampering EU decision making.

That’s when Baker asked the first question about whether Cyprus set a precedent for future bank rescues:

Q: To what extent does the decision taken last night end up setting a template for bank resolution going forward?

A: What we should try to do and what we’ve done last night is what I call “pushing back the risks”. In times of crisis when a risk certainly turns up in a banking sector or an economy, you really have very little choice: you try to take that risk away, and you take it on the public debt. You say, “Okay, we’ll deal with it, give it to us.”

Now that the situation is more calm and the financial markets seem to have become more steady and easier, we should start pushing back the risks. If there is a risk in a bank, our first question should be: “Ok, what are you the bank going to do about that? What can you do to recapitalise yourself?” If the bank can’t do it, then we’ll talk to the shareholders and the bondholders. We’ll ask them to contribute in recapitalising the bank. And if necessary the uninsured deposit holders: “What can you do in order to save your own banks?”

In other words, taking away the risk from the financial sector and taking it onto the public shoulders is not the right approach. If we want to have a healthy, sound financial sector, the only way is to say: “Look, there where you take on the risks, you must deal with them. And if you can’t deal with them, you shouldn’t have taken them on and the consequence may be that it’s end of story.” That is an approach that I think we should, now that we’re out of the heat of the crisis, consequently take.

I've tried to do so as far as I could in nationalising the SNS bank in the Netherlands. We've completely wiped out the shareholders and the junior bondholders. We have to bring down the tab to be picked up by the taxpayers.

Q: What does that say for other countries in the eurozone that have very highly-leveraged banking sectors, Luxembourg, Malta even? Much larger than Cyprus'.

A: It means: deal with it before you get in trouble. Strengthen your banks, fix your balance sheets, and realise that if a bank gets in trouble, the response will no longer automatically be we'll come and take away your problems. We're going to push them back. That's the first response that we need. Push them back. You deal with them.

Q: That sounds a whole lot like what people were suggesting before Lehman Brothers. They made a bad investment in Lehman Brothers; let it go down. And we saw what happened after that. Is there any risk that this change in thinking risks coming back to the 'too big to fail'...

A: I think we have to realise before we come to a decision can we let a bank fall over, is it too big to fail, there are a lot of things that can be done. To start with, we should not waste any time in fixing balance sheets. Banks have to build up their reserves, have to become much more stable and strong within themselves.

Secondly, we need mechanisms to deal with risks in terms of: if a bank is in trouble, can you take out the bits you want to save and let go of the bits you don't want to save, the "living will" approach.

Thirdly, if a bank does get in trouble, to who can we shift the account? Who's going to pay for it? That's what I was talking about just now, to shareholders, etc. Then there comes a point where you, as a government, may have to step in, but that should be the order. You take preventive measures, you make sure banks are more stable, more robust. If there still is a problem, you need mechanisms to address them, to pull banks apart, etc. You need to bail in those people whose equity is involved, etc.

Q: This is basically the [Michel] Barnier proposal [for a common EU bank resolution regime]. The priority seems to be removing that moral hazard.

Q2: Those proposals now look like they're going to be delayed, I think, from Barnier. In a way, you've had a chance with Cyprus as a kind of test case, if you like. Does it feel like that?

A: Like I said, it's very hard to do this if there's a lot of nervousness in the markets and there is still a crisis atmosphere. Now that the crisis atmosphere is disappearing – we had a little upheaval last week after the levy discussion – but looking at it a couple of days later now, a week later now, the markets have really been very wise in responding to this whole levy thing. So now that the crisis seems to fade out, I think we have to dare a little more in dealing with this.

Q: It just makes me think of one thing, off the cuff, which has to do with the ESM [European Stability Mechanism] and the direct recapitalisation of banks. Does that change the kind of calculus in terms of how that is used going down the road? There have been suggestions it may never be used if you have fully-functioning bail-in systems. Is that what we're saying?

A: I think that's what we should aim at. We should aim at a situation where we will never need to even consider direct recap. The interesting thing of course that in the Spanish situation, because that where the demand for a direct recap instrument started, from the Spanish banking crisis. We are now dealing with the Spanish banking sector – restructuring it, recapitalising it, bad bank, some bail-in – without this instrument. If we have even more instruments in terms of bail-in and how far we can go in bail-in, the need for direct recap will become smaller and smaller.

I can just repeat what I said. I think that the approach has to be: Let's deal with the banks within the banks first, before looking at public money, be it direct recap or any other instrument coming from the public side. Banks should basically be able to save themselves, or at least restructure or recapitalise themselves as far as possible.

Q: Is that new philosophy, was it hard among the 17 [finance ministers], are there people who it's been hard to convince this is the right approach?

A: Well, there is still nervousness, understandably, about can we pull it off, what will it mean in the financial markets, how will the financial markets react to the eurozone, to the financial institutions in the eurozone, etc.

That was one of the reasons why, last week, we didn't go down the bail-in track [in Cyprus] but went down the levy track. Now we're going down the bail-in track, and I'm pretty confident the markets will see this as a sensible, very concentrated and direct approach instead of the more general approach [of] let's levy everyone to gather the money for the banks. So yes, that that is a sort of shift in approach.

Q: Is this something that you've sort of market tested, if you like, with the market? You've had a lot of feedback? You just said you feel very confident that the market will respond positively to the bail-in approach. Is that the feedback you've had?

A: You get two kinds of feedback. There's the economic analysts that say this is a sensible approach, it makes sense. And then there's more the investors' reaction, who will say: "Look, we're not to going to pay the tab, are we? If you do so, we will make our financing more expensive."

My reaction would be: Maybe it's inevitable that if you push back the risks, risks will be priced. Because if I finance a bank and I know if the bank will get in trouble I will be hit and I will lose my money, I will put a price on that. I think that's a sound economic principle. And having cheap money because the risks will be covered by the government and I will always get my money back is not leaving to the right decisions in the financial sector, it's not leading to the right risk management in the financial sector.

So there's those two reactions from the financial markets: the analysts who are saying, let's be real, this is a sensible approach, and the investors. My response is: If risks are going to be priced, then that is probably the right way to do it. It will force all financial institutions as well as investors to think about the risk they are taking on. They will have to realise it may also hurt them, the risks might come towards them instead of pushing them away.

26. März 2013, 22:44 Uhr

Verdächtige Geldabflüsse

Zyperns Parlament jagt die Kapitalflüchtlinge

Aus Nikosia berichtet [Stefan Schultz](#)

74,153

Aus Zyperns Krisenbanken ist offenbar viel Geld abgeflossen, obwohl die Konten gesperrt sein sollten. Das Parlament stellt nun eigene Nachforschungen an - weil es dem Notenbank-Chef nicht mehr traut. Die Rücktrittsforderungen gegen Panicos Demetriades werden immer lauter.

Abgekämpft sah Panicos Demetriades aus, als er am späten Dienstagnachmittag im vierten Stock der zyprischen Zentralbank die Pressekonferenz eröffnete. Gut anderthalb Stunden zog sich das Frage-und-Antwort-Spiel hin. Finanzminister Michael Sarris gab dem Notenbank-Chef Schützenhilfe. Draußen vor dem Fenster versanken die Berge im Nebel, und drinnen wurden die Journalisten immer unruhiger. Am Ende fragten sich viele, warum Demetriades sie überhaupt eingeladen hatte - wo er doch so gut wie nichts Neues zu erzählen hatte.

Manche deuteten die Pressekonferenz als symbolischen Akt. Zyperns Notenbank-Chef habe Stärke demonstrieren wollen. Denn zuletzt geriet er massiv unter Druck. Erst hatte er - ohne Absprache mit der Regierung - verkündet, dass Zyperns kleine Banken am Dienstag wieder öffnen sollten, im Gegensatz zu den großen Instituten Laiki-Bank und Bank of Cyprus. Das verursachte massive Proteste der kleinen Institute. Am Ende blieben alle Banken geschlossen. [Neuer Eröffnungstermin ist - bisher - Donnerstag](#). Dann droht ein Ansturm der wütenden Kundschaft.

Am Montag hatte die Zentralbank zudem angekündigt, sie werde den Finanzmanager Dinos Christofides als Sonderberater bei der Bank of Cyprus einsetzen. Das Institut soll Altlasten übernehmen - von der Laiki-Bank, die bald abgewickelt wird. Der Einsatz von Christofides, so legitim er ist, hatte Ängste geschürt, dass auch die Bank of Cyprus vor der Zerschlagung steht. Demetriades wurde vorgeworfen, er habe die Änderungen nicht klar genug eingeordnet. Und damit die Sorgen der Anleger noch verstärkt.

Machtlos gegen die Kapitalflucht?

Vor allem aber gerät der Zentralbank-Chef wegen verdächtiger Kapitalabflüsse aus den Krisenbanken in die Kritik. Die Zeichen mehren sich, dass vor dem Beschluss des ersten Rettungspakets in den frühen Morgenstunden des 16. März große Mengen Kapital aus der Laiki-Bank und der Bank of Cyprus abgeflossen sind. Ende Januar hatten sich auf den Konten der zwei größten Banken des Landes noch mehr als 40 Prozent aller Ersparnisse zyprischer Anleger befunden. Dann ist offenbar viel Geld abgeflossen - selbst nachdem die Konten der Anleger auf Geheiß der Zentralbank weitgehend eingefroren worden waren.

Inzwischen werfen viele der Notenbank vor, sie habe die Kapitalverkehrskontrollen zu lasch gestaltet. So waren nicht nur Überweisungen für humanitäre Hilfe weiterhin erlaubt, was durchaus sinnvoll und üblich ist - aber eben auch anfällig für Missbrauch. Wütend machte viele, dass die Notenbank auch nicht näher definierte "besondere Zahlungen" erlaubte.

Zyperns Zentralbank rechtfertigte sich, man habe die Geldabflüsse zur Zeit der Kontensperre gar nicht komplett verhindern können. Das Geld sei teils im Ausland abgehoben worden - wogegen man machtlos sei. Denn die Filialen zyprischer Banken in Nicht-Euro-Ländern wie Russland und Großbritannien unterliegen nicht der EZB. Ihre Liquidität werde von den dortigen Notenbanken kontrolliert.

Das kommt einem unfreiwilligen Geständnis gleich. Kleinanleger kommen seit fast zwei Wochen nur noch eingeschränkt an ihr Geld, Unternehmer können ihre Lieferanten nicht mehr bezahlen, in ganz Zypern wächst die Angst, dass wegen der Bankenblockade zum Monatsersten die Gehälter nicht ausgezahlt werden - gleichzeitig dürfen reiche Geschäftsleute und andere Privilegierte mit Verbindungen ins Ausland ihr Geld weiter retten?

Das Parlament jedenfalls ist argwöhnisch geworden. Es habe von der Zentralbank gefordert, die Namen der Kunden zusammenzutragen, die vor Schließung der Banken große Summen Geld abgehoben haben, wie ein Insider SPIEGEL ONLINE bestätigte. Dabei solle auch geprüft werden, ob auch Notenbankler oder Mitarbeiter der Regierung - die möglicherweise vorgewarnt waren - ihr Geld noch rasch in Sicherheit gebracht haben.

Vertrauen verspielt

Laut dem griechischen TV-Sender Mega Channel befindet sich die Liste bereits in den Händen des zyprischen Parlamentspräsidenten Yiannakis Omirou. Im Parlament und in der Notenbank war zunächst niemand für eine Stellungnahme zu erreichen. Die Nachforschungen der Parlamentarier zeigen, wie groß das Misstrauen der Volksvertreter gegenüber der Regierung ist - und wie sehr an der Kompetenz von Panicos Demetriades gezweifelt wird.

Der rang sich gegen Ende der Pressekonferenz dann doch noch einige Neuigkeiten ab. Kleinanleger müssen seinen Worten zufolge damit rechnen, dass die Dienste der Banken noch eine Weile eingeschränkt sind. Anleger, die mehr als 100.000 Euro bei der Bank of Cyprus haben, dürften "rund 40 Prozent" ihrer Einlagen verlieren; an der genauen Summe arbeite man aber noch. Die Banken sollen wie gehabt am Donnerstag öffnen. Auch wenn es dabei noch einen minimalen Rest an Unsicherheit gibt. Und Zypern drohe nun zwar eine Rezession, jedoch sei er überzeugt, dass die Wirtschaft sich bald wieder fangen werde. Dabei appellierte Demetriades an den Unternehmergeist der Menschen.

Nichts davon muss stimmen. Bankkunden könnten noch weit länger leiden. Anleger mit mehr als 100.000 Euro könnte nach Einschätzungen von Finanzexperten am Ende bis zu 90 Prozent ihrer Einlagen verlieren. Laut dem griechischen TV-Sender skai sollen Zyperns Banken erst am 1. April wieder öffnen. Und Ökonomen prophezeien dem Inselstaat eher eine schwere Rezession wie in Griechenland - mit hoher Arbeitslosigkeit.

Was bleibt, ist ein Notenbank-Chef, der viel Vertrauen verspielt hat. Der nach eigenen Angaben nicht zurücktreten will. Und der unkündbar ist. Seine Position ist durch die Verfassung besonders geschützt. Präsident Nicos Anastasiadis scheint dennoch genug von ihm zu haben. Nach Angaben des zyprischen Staatsfernsehens soll er sich erkundigt haben, ob es nicht doch einen Rechtsweg gibt, Demetriades zu feuern.

Mitarbeit: Georgios Christidis

March 26, 2013

74,155

Europeans Planted Seeds of Crisis in Cyprus

By [ANDREW HIGGINS](#)



NICOSIA, Cyprus — When European finance chiefs explained their harsh terms for rescuing Cyprus this week, many blamed the tiny Mediterranean nation’s wayward banking practices for bringing ruin on itself.

But the path that led to Cyprus’s current crisis — big banks bereft of money, a government in disarray and citizens filled with angry despair — leads back, at least in part, to **a fateful decision made 17 months ago by the same guardians of financial discipline that now demand that Cyprus shape up.**

That decision, like the onerous bailout package for Cyprus announced early Monday, was sealed in Brussels in secretive emergency sessions in the dead of night **in late October 2011**. That was when **the European Union, then struggling to contain a debt crisis in Greece, effectively **planted a time bomb that would blow a big hole in Cyprus’s banking system** — and set off a chain reaction of unintended and ever escalating ugly consequences**

“It was 3 o’clock in the morning,” recalled Kikis Kazamias, Cyprus’s finance minister at the time. “I was not happy. Nobody was happy, but what could we do?”

He was in Brussels as **European leaders and the International Monetary Fund engineered a 50 percent write-down of Greek government bonds**. This meant that those holding the bonds — notably the then-cash-rich banks of the Greek-speaking Republic of Cyprus — would lose at least half the money they thought they had. Eventual losses came close to 75 percent of the bonds’ face value.

The action had an anodyne name — **private-sector involvement, or P.S.I.** — and, it seemed at the time, a worthy goal: forcing private investors to share some of the burden of shoring up Greece’s crumbling finances. “We Europeans showed tonight that we reached the right conclusions,” Chancellor Angela Merkel of Germany announced at the time.

For Cypriot banks, particularly Laiki Bank, at the center of the current storm, however, these conclusions foretold a disaster: **Altogether, they lost more than four billion euros, a huge amount in a country with a gross domestic product of just 18 billion euros**. Laiki, also known as Cyprus Popular Bank, alone took a hit of 2.3 billion euros, according to its 2011 annual report.

What happened between the overnight session in 2011 and the one that ended early Monday morning is a study of how decisions made in closed conference rooms in Brussels — often in the middle of the night and invariably couched in impenetrable jargon — help explain why the so-called European project keeps getting blindsided by a cascade of crises.

“I cannot remember that European policy makers have seen anything coming throughout the euro crisis,” said Paul de Grauwe, a professor at the London School of Economics and a former adviser at the European Commission. **“The general rule is that they do not see problems coming.”**

Simon O’Connor, the spokesman for the union’s economic and monetary affairs commissioner, Olli Rehn, declined to comment on whether Mr. Rehn had taken a position on the possible impact of the Greek debt write-down on Cypriot banks.

As well as hitting Cyprus over its banks’ holdings of Greek bonds, **the European Union also abruptly raised the amount of capital all European banks needed to hold in order to be considered solvent.** This move, too, had good intentions — making sure that banks had a cushion to fall back on. But it helped drain confidence, the most important asset in banking.

“The bar suddenly got higher,” said Fiona Mullen, director of Sapienta Economics, a Nicosia-based consulting firm. **“It was a sign of how the E.U. keeps moving the goal posts.”**

Cyprus, she added, “created plenty of its own problems” and was not aided by the fact that the country’s last president, a communist who left office in February, and his central bank chief were barely on speaking terms. But decisions and perceptions formed more than 1,500 miles away in Brussels and Berlin “didn’t help and often hurt,” Ms. Mullen said.

Cyprus banks, bloated by billions of dollars from overseas, particularly from Russia, had many troubles other than Greek bonds, notably a host of unwise loans in Cyprus at the peak of a property bubble, now burst, and, critics say, to Greek companies with ties to Laiki’s former chairman, the Greek tycoon Andreas Vgenopoulos.

Mr. Kazamias, the finance minister at the time of the Greek bond write-down, said he had little idea of just how badly the move would hurt his country’s banks. “We worried but we never received any information that this was a red line” that should not be crossed, he said. The Cypriot government, he added, initially calculated that “we were in a position to cover the losses,” and it was only later, after depositors began to flee and the Cyprus economy stalled, that “we found out that this was impossible.”

But Charles H. Dallara, the lead representative for the banking industry who negotiated with European officials in 2011 in a bid to keep the losses imposed on Greek bonds as low as possible, said the writing was on the wall.

It was **“very clear that the effect of the Greek deal on Cypriot banks would be severe,”** said Mr. Dallara, the former managing director of the Institute of International Finance, the banks’ lobbying group. **“But there were elections coming up, and the tendency in Brussels is to let these things drift. So nothing was done.”**

Slashing the amount that Greece paid on its bonds was necessary at the time, he acknowledged, because it helped reduce a mountain of debt that could have pushed Greece from the euro. “But looking back, in reality there was no way to avoid the eventual adverse effect on Cypriot banks,” said Mr. Dallara, now the chairman of Partners Group, a consultancy to banks and governments.

Even before the Greek debt bombshell, Laiki Bank “was already in a bad way because of bad lending.” said Kikis Lazarides, a former chairman of the bank. **But, he added, the write-down on Greek bonds “was more or less the killer blow.”**

Like many Cypriots, Mr. Lazarides **is angry that Europe’s richer countries, particularly Germany, largely dictate policy.** “We have to change some things in Europe in the way decisions are taken,” he said.

After the Greek write-down, Cyprus compounded its problems by dithering on whether to seek a bailout from the European Union. **At first, it appealed to Russia**, which provided a 2.5 billion-euro loan in December 2011. But this money quickly ran out, and when Cyprus did finally go cap-in-hand to its European partners for a lifeline, it received a rude shock: **Germany, already gearing up for an election this year, wanted not just budget cuts and other conventional austerity measures but a complete overhaul of Cyprus's economic model, built around financial services for foreigners seeking ways to dodge taxes and, Berlin suspected, launder dirty money.**

“They did not want the Cypriot model to exist as it did — they wanted Cyprus to stop being a financial center,” said Pambos Papageorgiou, a former central bank board member who is now a member of parliament and on its finance committee. **“It was very brutal, like warfare.”**

Mr. Papageorgiou complained that the European Union had shown **“the opposite of solidarity”** in its dealings with one of its weakest and most vulnerable members.

In the three years since Europe's rolling debt crisis first exploded in Greece, governments and citizens in the hardest-hit nations have fumed **that decisions made in Brussels pay little heed to their interests and are dictated instead by the economic concerns and election cycles of Germany. Whether in Athens, Dublin, Rome, Madrid or Nicosia, people increasingly ask whether the European Union serves their own aspirations or those of remote institutions dominated by others, particularly Germans.**

Such questions have grown to a furious pitch in Cyprus, where terms set early Monday for a 10 billion-euro bailout will deepen an already painful recession and send unemployment — now at 15 percent — soaring. They require the dismantling of Laiki Bank, with the loss of around 2,500 jobs, and a significant reduction in the country's role as an offshore financial center.

“We are looking at a very grim future for Cyprus,” said Michael Olympios, chairman of the Cyprus Investor Association, a lobbying group. **“Even firm believers in European project like myself see now that it was a bad idea and that we should have at least stayed out of the euro.”**

As jobs disappear and the economy contracts, Mr. Olympios said, faith in Europe will wither. **“I used to be a believer. Not anymore.”**

James Kanter contributed reporting from Brussels, and Dimitrias Bounias from Nicosia.

Zypern (Geschichte einer Katastrophe, cf. Ende)

Von Zwischenstopps und Zwischenhändlern

27.03.2013 · Ein bisschen Korruption, ein wenig Wegsehen, eine Prise Größenwahn - Zyperns fatales Geschäftsmodell entstand nicht aus dem Nichts. In der abzuwickelnden Laiki Bank üben sich Bankmitarbeiter in Zynismus. Andere empfehlen künftigen Krisen-Ermittlern, die letzten Käufe griechischer Staatsanleihen unter die Lupe zu nehmen.

Von [Michael Martens](#), Nikosia

74,158



© dpa Die Laiki Bank ist immer noch geschlossen

Julije Kemeny ist ein Jude aus Serbien, der den Zweiten Weltkrieg überlebte und seit Jahrzehnten in Frankfurt lebt, von wo aus der rüstige alte Herr regelmäßig Freunde in Israel besucht. In den neunziger Jahren fiel ihm auf, dass die staatliche jugoslawische Fluglinie „Jat“ fast täglich bemerkenswert preiswerte Flüge nach Tel Aviv anbot. „Man musste zwar in Belgrad umsteigen“, erinnert sich Kemeny. Er habe sich allerdings gefragt, warum derartige Flüge überhaupt angeboten wurden, denn es gab keine nennenswerten Beziehungen zwischen Israel und dem Staat des Gewaltherrschers Slobodan Milošević. „Trotzdem war die Maschine bis zum letzten Platz ausgebucht. Ich wunderte mich, dass so viele Serben plötzlich Israel besuchen wollten.“

Bei seinem ersten Flug wurde Kemeny jedoch klar, warum die Route so beliebt war - es lag an einem kleinen Zwischenstopp. „Nach drei Stunden Flug landeten wir auf dem Flughafen in Larnaka, wo bis auf eine Handvoll Passagiere alle Reisenden ausstiegen. Es war interessant zu sehen, dass viele der in Zypern aussteigenden Gäste mit Ketten gesicherte Aktenkoffer bei sich trugen.“ So sei es stets gewesen - bis Larnaka war der Flug voll, die kurze Weiterreise bis Tel Aviv war dann fast ein Privatflug.

„Dies hier ist jetzt ein Museum“

Einer der Orte, an dem das schwarz-blutrote Geld des Milošević-Regimes weißgewaschen wurde, lange bevor das russische Kapital die Insel überschwemmte, ist ein sieben Stockwerke hoher Palast aus Glas und Stahl in der Limassol-Avenue 85 am Rande von Zyperns Hauptstadt Nikosia. Hier steht seit 1996 das Hauptquartier der

Laiki Bank, der großen zyprischen Kreditanstalt, die zuletzt nur noch über Nothilfen der Europäischen Zentralbank am leben gehalten wurde.

In der Limassol-Avenue 85 waren die Laiki-Topmanager am Werke; jene, die das Desaster ausgeheckt haben. Im dritten Stock befand sich das „Risikomanagement“, jene Abteilung also, deren Aufgabe es war (oder gewesen wäre), die Geschäftsführung vor waghalsigen Spekulationen zu warnen. Im sechsten Stock saß der Vorstand. In der Etage darüber befand sich eine Cafeteria mit Blick über die Stadt. Seit dem Wochenende ist klar, das hier nie wieder regulärer Betrieb herrschen wird. Die meisten der etwa 2300 Laiki-Banker in Zypern werden bald keinen Job mehr haben. Auch die Mitarbeiter der Tochtergesellschaften müssen um ihre Arbeitsplätze bangen. Allein in Griechenland sind es mehr als 3000, in der Ukraine etwa 1300.

An diesem Dienstag ist die Zentrale des einst zweitgrößten Kreditinstituts der Insel fast menschenleer. Die Laiki Bank hat immer noch geschlossen. Hier und da huscht jemand über die Flure, neben einem Büro haben sich trotz des arbeitsfreien Tages einige Angestellte eingefunden und diskutieren in gedämpften Ton über die Lage. „Wollen Sie nicht etwas kaufen?“, fragt ein Angestellter den Besucher und fügt sarkastisch hinzu: „Hier wird nichts mehr passieren, aber wir bleiben hier, um den Laden sauber zu halten.“ Ein anderer witzelt: „Dies hier ist jetzt ein Museum.“

Zypern wird keine freie Marktwirtschaft mehr sein

Ein treffendes Bild. Die verlassene Zentrale der Laiki Bank ließe sich tatsächlich gut in ein Museum umwandeln. Als Museum der Gier könnte es künftige Generationen daran erinnern, wohin Größenwahn, Habsucht und Fahrlässigkeit führen können. Oben in der Cafeteria erzählt ein (früherer) Laiki-Manager von dem, was nun kommt. Die Laiki Bank ist Geschichte, sie wird „abgewickelt“. Guthaben bis 100.000 Euro werden in die Bank of Cyprus überführt, der Rest ist für die bisherigen Inhaber ganz oder zu großen Teilen verloren. Doch die Bank of Cyprus, immer noch das größte Institut des Landes, steckt ebenfalls in Schwierigkeiten. Zwar hat Staatspräsident Nikos Anastasiadis nach seiner Rückkehr aus Brüssel verkündet, durch den Zusammenschluss der Bank of Cyprus mit dem gesunden Teil der Laiki Bank sei „eine starke Bank“ geschaffen worden, auf die Zypern sich verlassen könne. Doch Fachleute fürchten, der Optimismus könne verfrüht sein.

„Es geht jetzt darum, zu verhindern, dass auch die Bank of Cyprus untergeht“, sagt der Manager. Auf 50 Prozent beziffert er die Aussicht, dass das gelingt, die Bank of Cyprus also den Vertrauensverlust und einen möglichen Ansturm ihrer Kunden überstehen kann. Seine Begründung ist ein wirtschaftspsychologisches Kabinettstück: „Das wichtigste ist es jetzt, die Leute zu beruhigen und ihnen glaubhaft zu versichern, dass ihr Geld bei der Bank of Cyprus sicher ist.“ Ist es das denn? „Wenn die Leute sich beruhigen lassen, ja.“

Außer den Überredungskünsten der Banker stehen zur Beruhigung der Sparbürger auch die außerordentlichen Vollmachten der zyprischen Zentralbank zur Verfügung. Sie kann den Sparern zur Beruhigung eine finanzpolitische Zwangsjacke überstülpen. Auf absehbare Zeit wird Zypern keine freie Marktwirtschaft mehr sein. Ein in der vergangenen Woche verabschiedetes Gesetz erlaubt es der Zentralbank nicht nur, die Bargeldabhebung zu begrenzen (von 100 Euro pro Tag ist die Rede) und langfristige Kündigungsfristen für die Auflösung von Konten festzulegen. Die Zentralbank kann auch Girokonten per Dekret zu Termineinlagen erklären, den Überweisungsverkehr beliebig einschränken und jede andere Kontrollmaßnahme verfügen, die vom Finanzminister oder dem Zentralbankgouverneur „unter den gegebenen Umständen für notwendig gehalten wird, um die öffentliche Ordnung und Sicherheit aufrechtzuerhalten“.

Die Kapitalverkehrskontrollen könnten bis zu einem Jahr in Kraft bleiben, hieß es dazu am Dienstag aus unterrichteten Kreisen in Nikosia. Ein weiterer Aspekt der zyprischen Aufräumarbeiten betrifft die Suche nach den Schuldigen für das Desaster. „Ich glaube nicht, dass man hier wie in Griechenland die Deutschen für alles verantwortlich machen wird, wenn sich die Emotionen gelegt haben“, sagt Yiannis Tirkides, ehemals (und formal immer noch) Chefvolkswirt bei Laiki. Doch je stärker die absehbare Wirtschaftskrise in den kommenden Monaten werden wird, desto lauter dürfte die Frage nach den Verantwortlichen in den Vordergrund rücken. Anastasiadis hat in seiner jüngsten Rede an die Nation schon eine Antwort darauf versprochen. Seine Regierung werde „in den kommenden Tagen“ umfangreiche strafrechtliche Ermittlungen einleiten lassen mit dem Ziel, die Verantwortlichen für Zyperns Bankencrash zu identifizieren.

Marios Mavridis, Abgeordneter der regierenden Partei der demokratischen Sammlung, begrüßt das ausdrücklich: „Eine solche Untersuchung wird sehr hilfreich sein, auch zur Beruhigung der öffentlichen Meinung. Allerdings ich weiß nicht, ob die Gesetze es erlauben werden, die Verantwortlichen juristisch zu belangen.“ Dass es Schuldige gibt, steht außer Frage. Eine Rekonstruktion von Zyperns Weg in den Untergang, soweit er schon nachvollziehbar ist, lässt eine Mischung aus abenteuerlichem Versagen und dreistem Betrug ahnen. Das beginnt bei der Frage, wieso zyprische Banken wie Laiki noch in griechische Staatsanleihen investierten, als längst klar war, dass Athen die Papiere nicht würde bedienen können.

Ein mit dem Geschäft bestens vertrauter Banker in Nikosia empfiehlt den Ermittlern, zwei Spuren zu folgen: „Die griechischen Staatsanleihen boten hohe Zinsen. Wer sie im Portfolio hatte, konnte also mit besseren Jahresergebnissen glänzen, was wiederum höhere Boni einbrachte.“ Solche Szenarien kurzfristiger Gewinnmaximierung um jeden Preis sind nicht neu, doch die andere geschilderte Variante ist eindeutig kriminell. Sie spielt im Jahr 2010, als griechische Staatsanleihen längst als gefährlich galten, weil ein Schuldenschnitt absehbar war. „Nehmen wir an, eine deutsche Bank will ihre Anleihen dringend loswerden und schaltet dazu einen Zwischenhändler ein, dem sie fünf Prozent Provision bietet, wenn er einen Käufer für die gefährlichen Papiere findet. Was wäre, wenn der Zwischenhändler die Provision mit einem hiesigen Banker unter der Hand teilt, als Belohnung dafür, dass die giftigen Papiere von einem zyprischem Institut gekauft werden?“

Der teuerste Trugschluss der Geschichte

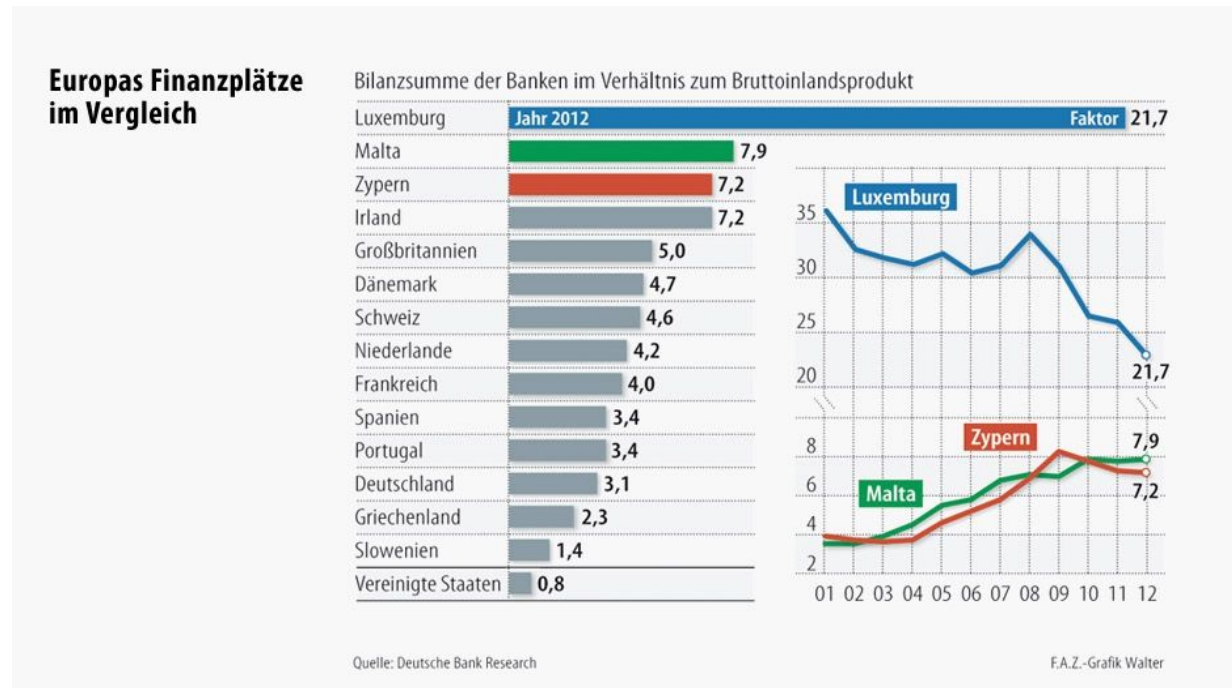
Es ist ein Mann mit Einblick, der den Ermittlern dringend rät, sich genau anzuschauen, wann zyprische Banken griechische Staatsanleihen erwarben und wer an den Transaktionen beteiligt war. „Laiki besaß griechische Staatsanleihen im Nominalwert von 3,5 Milliarden Euro, bei einer Bilanz von vierzig Milliarden. Der Anteil stieg noch, als Griechenland längst in großen Schwierigkeiten steckte. Das lässt sich rational nicht erklären.“

Im Fall der Laiki Bank springt ein anderer Umstand ins Auge: Zu den größten Anteilseignern gehörte seit 2006 auch die griechische „Marfin Investment Group“, die ihre Leute in den Aufsichtsrat entsandte. Nachdem Marfin eingestiegen war, wuchs das Kreditvolumen bei Laiki immens: Von Marfin-Leuten gebilligte Kredite wurden von der Marfin Group in Anspruch genommen. „Hier waren Kreditgeber und Kreditnehmer identisch, was die zyprische Zentralbank hätte erkennen und unterbinden müssen. Sie hat es aber nicht getan“.

Der vorerst letzte Akt des Dramas spielte sich dann am 19. März im Parlament ab. Ein mit dem Gang der Verhandlungen vertrauter Zypriener versichert, es habe die Möglichkeit gegeben, alle Guthaben über 100.000 Euro mit einer Abgabe von 17 Prozent zu belasten. Doch habe sich Anastasiadis, bedrängt von der mit dem Russengeschäft verbundenen Lobby aus Anwälten und Notaren im Parlament, dazu entschlossen, die Kleinsparer mit in Haftung zu nehmen, um das Geschäft mit reichen Anlegern zu retten. „Die Abgeordneten hielten Zypern für systemrelevant und glaubten, sie könnten mit ihrer Ablehnung des Plans die Eurozone in die Knie zwingen.“ Tatsächlich scheinen einige Abgeordnete am Dienstag vor einer Woche geglaubt zu haben, sie könnten ein Armdrücken gegen die Partner in der Währungsunion und gegen den Internationalen Währungsfonds gewinnen. Es dürfte der teuerste Trugschluss in der Geschichte Zyperns gewesen sein.

Hollande und Rajoy: Zypern ist einmaliger Fall

27.03.2013 · Ist das Rettungspaket für Zypern ein Modell für andere angeschlagene Staaten? Nein, sagen Frankreichs Präsident und Spaniens Regierungschef. Zuvor war eine hitzige Debatte über diese Frage entbrannt.



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Luxemburg ist Europas größter Finanzplatz, Zypern steht nur an Rang 3.

Cyprus Program Isn't 'Template' for Euro-Area Bailouts, EU Says

By James G. Neuger - Mar 27, 2013 9:27 AM GMT+0100

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Martijn Beekman/AFP Dutch Finance Minister Jeroen Dijsselbloem.

European governments vowed that the swoop on [bank accounts](#) to finance Cyprus's aid package won't set a precedent for future rescues, pushing back against the impression given by Dutch Finance Minister Jeroen Dijsselbloem, according to a confidential document obtained by [Bloomberg News](#).

Demonstrators wave a banner which reads "Demetriades go home," right, during a protest by bank workers outside the Cypriot central bank in Nicosia, Cyprus, on March 26, 2013. Photographer: Simon Dawson/Bloomberg

"The Cypriot program is not a template, but measures are tailor-made to the very exceptional Cypriot situation," according to the document, agreed yesterday by representatives of euro-zone finance ministries and intended as a guide for explaining Monday's decision to the public.

Dijsselbloem, who chaired the meetings on the Cypriot package, triggered declines in European markets on Monday by telling Reuters and the Financial Times that future bank cleanups should be handled nationally and questioning the need for the use of European money to recapitalize banks.

While the Dutch minister issued a clarification later that day, several governments pushed for a confirmation at European level that the controversial tapping of Cypriot bank accounts won't be part of the standard crisis-management toolkit.

Dijsselbloem became Dutch finance minister in November and took on the added European coordinating role in January. His spokeswoman, Simone Boitelle, said she was unaware of the document, known as "Terms of Reference" in Brussels jargon, and couldn't immediately comment when contacted by Bloomberg.

The document recalled summit-level decisions to shore up the monetary union "based on deeper integration and reinforced solidarity, including the full implementation of our new enhanced economic governance framework, as well as further steps toward the completion of the banking union."

Zyperns Präsident will Geldabflüsse der Beamten unter die Lupe nehmen

27.03.2013 · **Der zyprische Parlamentspräsident will prüfen, ob hohe Beamte der Notenbank oder in wichtigen Positionen vor der Bankenschließung Geld ins Ausland transferiert haben. Der Europäischen Zentralbank war der hohe Kapitalabfluss aufgefallen. Der Chef der Bank of Cyprus ist unterdessen entlassen.**

Der zyprische Parlamentspräsident will prüfen, ob hohe Beamte ihr Geld ins Ausland geschafft haben, die in Entscheidungszentren der Notenbank oder im Präsidialgebäude sitzen und von der bevorstehenden Entscheidung zur Schließung der Banken am 16. März wussten. **Zyprische Medien berichteten ohne Quellenangabe, es seien „Unmengen“ von Geld abgehoben worden.**

Der Geldabfluss vor der Bankenschließung soll nach Informationen aus der zyprischen Notenbank bei der Europäischen Zentralbank (EZB) aufgefallen sein: Zyprische Banken forderten demnach viel mehr Geld an als ihre Kunden sich von Geldautomaten holten.

Führungsspitze der Bank of Cyprus ausgewechselt

Unterdessen hat die zyprische Zentralbank den Vorstandschef der [Bank of Cyprus](#) entlassen. Das sagte ein Mitarbeiter der größten Bank des Landes, der namentlich nicht genannt werden wollte, am Mittwoch in Nikosia. Berichte lokaler Medien, nach denen Yiannis Kypri seines Postens enthoben worden sei, seien „korrekt“. Berichte, die zyprische Zentralbank habe den Rücktritt des gesamten Vorstands verlangt, konnte die Person nicht bestätigen.

Bereits am Dienstag war Andreas Artemis, der Verwaltungsratschef der Bank of Cyprus, zurückgetreten. Zudem war bekanntgeworden, dass die Bank künftig von einem Sonderverwalter geführt werden soll. Er soll den anstehenden Umbau des Geldinstituts gewährleisten.

[Nach dem Rettungspaket sollen Einlagen oberhalb der EU-weiten Sicherungsgrenze von 100 000 Euro an der Banken-Sanierung beteiligt werden.](#) Das zweitgrößte Geldhaus, die Laiki-Bank, wird abgewickelt. Ein Teil ihres Geschäfts wird von der Bank of Cyprus übernommen. Aus Protest gegen die Sanierung trat der Chef der Bank of Cyprus, Andreas Artemi, zurück, wie der staatliche Rundfunk meldete.

Anxious waiting in Cyprus

The mood remains tense in Cyprus after the [bailout package agreement](#). While hundreds of people demonstrated against the deal in Nicosia, the government has arranged for police protection when [the banks reopen](#) on Thursday. Commentators fear Cyprus's economy will not get back on its feet and expect what they see as an ill-fated monetary union to soon collapse.

Cyprus Mail - Cyprus

The end for Cyprus's economy

The Euro Group is destroying Cyprus's economy with its decision to [involve the banking sector](#) in the rescue package, the English-language daily Cyprus Mail contends: "The fact is that Cyprus was small and inconsequential enough for Germany, the ECB and the IMF to make an example of it without the risk of contagion for the rest of the eurozone. They did not dare bail in depositors in the case of Ireland, Greece and Spain's banks, ignoring the EU policy and legislation, which they felt obliged to pursue for Cyprus. The big irony is that for months we have been hearing IMF, Eurogroup and Commission officials insisting that Cyprus' public debt should be sustainable. It would be anything but sustainable now that they have killed off all economic prospects for the next five to 10 years." (26/03/2013)

De Groene Amsterdammer - Netherlands

The ill-fated euro is on its last legs

The bailout plan for Cyprus is the final act in the drama of the ill-fated monetary union, economist and columnist Ewald Engelen predicts in the left-leaning weekly De Groene Amsterdammer: "In the coming months an incredible financial, economic, social and political battle will play out as the world looks on. According to estimates, by the time the troika is finished with Cyprus its economy will have shrunk by one quarter to one third. ... The euro enforces a policy which treads basic democratic rights underfoot, pits different segments of the population against each other and obliges member states to sacrifice their own children on the altar of the German export machine. For three years we've been told that if the euro fails that will be the end. Cyprus teaches us the opposite. ... Eurosceptics couldn't have wished for better evidence to back their argument." (27/03/2013)

Jyllands-Posten - Denmark

Merkel is the only one to tell the truth

Following the Cyprus bailout the liberal conservative daily Jyllands-Posten praises Angela Merkel as the sole leader to point [the way forward](#): "For a long time German Chancellor Angela Merkel has been the target of unfair attacks. The simple fact is, however, that you can't stimulate the necessary growth in the EU if the economy isn't running properly. The only one who has dared to say this in a Europe that suffers from a catastrophic lack of efficient leaders is Angela Merkel. The fact that the restructuring work is hurting in many countries must not slow down the quest for an economically responsible, internationally competitive Europe. That is the correct strategy." (27/03/2013)

Lidové noviny - Czech Republic

Northern Europe feels cornered

The harsh treatment meted out to Cyprus is partially due to the upcoming [parliamentary elections](#) in Germany, but from the northern European perspective also entirely understandable, the conservative daily Lidové noviny comments: "Even if Angela Merkel is almost as popular as a monarch, it can't be ruled out that the Left will win the elections. Then there's the new 'Alternative for Germany' [a group campaigning for the orderly dissolution of the monetary union], which could inflict considerable damage on Merkel's Christian Democrats. ... An end to the charitable stance certainly makes sense. Why should one continue to grant unserviceable loans to governments that fail to keep their promises? And which on top of that complain that the Germans aren't quick enough to open their purses? For some time now a feeling that the point will come when one must stop backing away has been spreading in Germany and other northern European countries. It has now reached a critical level." (27/03/2013)

Deutschlandfunk - Germany

Jeroen Dijsselbloem cuts a poor figure

The new [head of the Euro Group](#) Jeroen Dijsselbloem has made a complete fool of himself with the Cyprus bailout, the news website of the German broadcaster Deutschlandfunk contends: "Dijsselbloem negligently allowed savers with small deposits in Cyprus - and other Eurozone states - to be completely unnerved. He did not prevent Nicosia from peddling an absurd bailout proposal with which, like Baron Münchhausen, it wanted to pull itself out of the swamp with money from churches and other sources. And finally - once Cyprus's fears had at last been calmed - he shocked the markets with [statements](#) giving the impression that he now wants to go after banks and investors in other euro countries. Rarely has a Eurozone decision maker made such a fool of himself in so short a time." (26/03/2013)

Euro-Schuldenkrise

Sündenbock Deutschland

27.03.2013 · Im Zuge des Zypern-Debakels wird Deutschland wieder einmal „Hegemoniestreben“ vorgeworfen. Berlin steht am Pranger, weil es auf Reformen besteht. Schönes Europa, in dem die Ressentiments blühen!

Von [Klaus-Dieter Frankenberger](#)

74,165



© AFP Der Hegemonievorwurf ist noch die Salonversion; besonders beliebt beim Demonstrationsvolk wie hier in Nikosia am vergangenen Dienstag sind Nazi-Vergleiche

Jetzt ist einem Mitglied der Bundesregierung der Kragen geplatzt – endlich, möchte man hinzufügen. [Justizministerin Leutheusser-Schnarrenberger beklagt sich darüber, dass die Spitzen der Europäischen Union Deutschland nicht gegen ungerechtfertigte Kritik verteidigten.](#) Zuvor glaubte der luxemburgische Außenminister Asselborn, Deutschland „Hegemoniestreben“ vorwerfen zu müssen, ja, dass es andere Länder erwürgen wolle.

Asselborn, der gerne viel redet, sorgte sich bei der Einlassung im Lichte des Zypern-Debakels offenkundig um den Finanzplatz Luxemburg und das dortige Geschäftsmodell. Also schleuderte er in Richtung Berlin den Hegemonie- und Diktatvorwurf. Frau Leutheusser-Schnarrenberger fand das nicht mehr lustig. Ist es auch nicht.

Seit Ausbruch der Staatsschuldenkrise in den südlichen Ländern der Währungsunion müssen sich Deutschland und seine führenden Politiker, vor allem die Bundeskanzlerin, viel Übles anhören. Der Hegemonievorwurf ist dabei noch die Salonversion; besonders beliebt beim Demonstrationsvolk in Athen oder jetzt in Nikosia sind Nazi-Vergleiche. Kanzlerin Merkel stürze Griechen, Portugiesen, Zyperer und andere ins Unglück, weil sie auf Haushaltskonsolidierung bestehe und auf Reformen.

Zu unrecht am Pranger

Auf die Idee, dass dies der einzige Weg ist, der aus der Misere führt, in die vor allem korrupte Eliten und eine falsche Politik sie gebracht haben, kommen die wenigsten. Solidarität wird verlangt, vulgo: dass andere die Rechnung übernehmen –, und weil die deutsche Regierung auf einer Gegenleistung besteht, steht sie am Pranger. Schönes Europa, in dem die Ressentiments blühen! Man kann sich nur Frau Merkels Gelassenheit wundern angesichts von Verunglimpfungen der tumben Art.

In der Krise macht Deutschland die Erfahrungen, welche die Vereinigten Staaten, auf einer anderen Ebene freilich, schon lange machen: Egal, was man tut oder auch nicht tut, man wird gerügt und ist der Dumme. Das ist die Erfahrung der Macht, jetzt auch der, die im europäischen Kontext die größte ist. Weil Deutschlands

Wirtschaftskraft so stark zugenommen hat und weil der Abstand zu den Partnern immer größer wird, wächst die Missgunst. Schon in der Schule war der Klassenbeste meistens ziemlich unbeliebt.

Deutschland ist nicht bei allen unbeliebt, aber in den Krisenländern sind die Kommentare oft negativ bis unverschämt. In Italien wurde mit Spitzen gegen Frau Merkel und gegen Deutschland Wahlkampf gemacht. Logisch, dass Außenminister Westerwelle, der schon von Amts wegen die Reputation Deutschland ein Anliegen ist, darüber nicht erbaut ist.

Deutschland macht noch eine weitere Erfahrung, es ist die Thatcher-Erfahrung. Wie sich seinerzeit viele andere europäische Regierungen hinter der britischen Premierministerin versteckten, weil die Dinge sagte, die andere sich nicht offen zu sagen trauten, bekommt jetzt die Bundesregierung Prügel für eine Politik, die ganz im Sinne anderer EU-Partner ist. Und das sind gar nicht so wenige. Aber am Pranger, wie gesagt, steht vor allem das angeblich neoimperiale Deutschland.

Ja, es ist wahr: Von Griechenland bis Irland machen die Leute jetzt einiges durch, und den Zypriern stehen harte Zeiten bevor. Aber harte Zeiten haben, zum Beispiel, auch die Balten erlebt, aber die mussten alleine sehen, wo sie bleiben. Sie haben sich mit eigener Kraft aus Krise gearbeitet. Und das zweite deutsche Wirtschaftswunder ist auch nicht vom Himmel gefallen, es ist das Ergebnis von harten betrieblichen und Anpassungen, von Lohnverzicht und einer Sozialstaatsreform, wie sie das Land lange nicht erlebt hatte.

Und groß waren die Veränderungen, welche den Ostdeutschen zugemutet wurden. Das mildert nicht die Not von Spaniern und Griechen, aber es zeigt, dass auch die Lebensentwürfe anderer Europäer tiefe Einschnitte ausweisen – und die große Ressentimentkeule wurden trotzdem nicht geschwungen.

Ein früherer polnischer Botschafter in Berlin hat kürzlich im kleinen Kreis dafür geworben, dass sich die Partner Deutschlands stärker darum bemühen sollten, die Psychologie der Deutschen zu verstehen. Denn die werden beschimpft, obschon sie es sind, die letztlich den europäischen Karren ziehen und für andere einspringen sollen.

Dreist und einfältig

Vielleicht ist das zuviel verlangt, und vielleicht wären hierzulande manche hämischen und gehässigen Auslassungen besser unterblieben. Aber es ist irgendwie dreist und einfältig, von Deutschland Führung und Verantwortung zu erwarten, und wenn die nicht so ausfällt wie gewünscht – Stichwort Eurobonds zum Beispiel –, dann antideutsche Feuerchen zu entzünden und Deutschland zum Sündenbock zu machen: für eine Lage, an der zyprische Banken oder griechische Politiker in erster Linie schuld sind.

Am deutschen Wesen soll die Welt nicht genesen. Und keiner sollte kopieren müssen, was die Deutschen (mit Erfolg) tun. Aber dann sollte auch jeder für sich die Verantwortung übernehmen. Wer schlecht oder gefährlich wirtschaftet, wer seinen eigenen Wettbewerbsfähigkeit fahrlässig schwächt, der sollte die folgenden Kosten dafür selbst tragen.

Schuldenkrise

Leutheusser fordert mehr Solidarität von EU-Spitze

27.03.2013 · Angesichts antideutscher Proteste bei der Bewältigung der Eurokrise hat Justizministerin Leutheusser-Schnarrenberger die EU-Spitze zu mehr Solidarität mit Deutschland aufgerufen.



© dpa „Deutschland bringt sich solidarisch ein“: Sabine Leutheusser-Schnarrenberger

In der Bundesregierung und den Koalitionsparteien wächst der Unmut über heftige Vorwürfe gegen die Rolle Deutschlands bei der finanziellen Rettung Zyperns. Bundesjustizministerin Sabine Leutheusser-Schnarrenberger (FDP) beklagt eine mangelnde Rückendeckung Deutschlands in Kampf gegen die Euro-Schuldenkrise durch die Spitzen der EU.

„Deutschland bringt sich solidarisch ein, damit es am Ende eine Perspektive für die Krisenländer gibt“, sagte Leutheusser-Schnarrenberger dem „Münchener Merkur“ mit Hinweis auf die Auseinandersetzung um das Zypern-Rettungspaket. „Da würde ich mir schon wünschen, dass die Persönlichkeiten an der Spitze - also Kommissionspräsident und der Ratspräsident - auch Solidarität mit uns üben und die Deutschen gegen ungerechtfertigte Vorwürfe verteidigen“, fügte die FDP-Politikerin hinzu.

Asselborn: Berlin darf nicht Geschäftsmodelle anderer fixieren

Bei Demonstrationen gegen die Auflagen des Hilfspakets waren auf Zypern wie zuvor schon in Griechenland wiederholt Schmähungen gegen Deutschland laut geworden. So waren Fotos von Bundeskanzlerin Angela Merkel mit Hitlerbart gezeigt worden.

Auch der luxemburgische Außenminister Jean Asselborn hatte Deutschland scharf kritisiert und warf der Bundesregierung Hegemoniestreben vor. „Deutschland hat nicht das Recht, die Geschäftsmodelle für andere Länder in der EU zu fixieren. Es darf nicht soweit kommen, dass unter dem Deckmantel von finanztechnischen Fragen andere Länder erwürgt werden“, sagte Asselborn.

Bisher hatte die Bundesregierung zurückhaltend auf die Kritik aus den Krisenländern reagiert und wie Außenminister Guido Westerwelle zur Mäßigung auf beiden Seiten aufgerufen. Leutheusser-Schnarrenberger forderte nun als erstes Kabinettsmitglied von der EU mehr Rückendeckung für Deutschland. „Wir müssen diese Entscheidungen gemeinsam vertreten und wir müssen sie gemeinsam verteidigen. Da höre ich bislang leider nicht viel“, sagte die FDP-Politikerin.

Regierungssprecher Steffen Seibert sagte am Mittwoch, die Entscheidungen in der Euro-Gruppe würden von den beteiligten Staaten gemeinschaftlich getroffen: „Sie werden deswegen auch in der Öffentlichkeit oder sollten in der Öffentlichkeit vertreten werden von allen Euro-Staaten und der Europäischen Kommission.“

Der stellvertretende Vorsitzende der Unionsfraktion im Bundestag, Michael Meister (CDU), kritisierte die massive Kritik an Deutschland: „Deutschland hat die Probleme in den einzelnen Staaten nicht zu verantworten.“ Deutschland helfe solidarisch, fordere aber auch, dass nachhaltige Lösungen in den Ländern umgesetzt würden. Regierungssprecher Seibert betonte aber auch, er höre aus vielen Euro-Ländern Äußerungen, die auf der deutschen Linie lägen. Wenn „einzelne wenige“ in Zypern beispielsweise Merkel verunglimpften, so sei das durch die Demonstrationenfreiheit gedeckt.

„Proteste ärgerlich und unangemessen“

Der haushaltspolitische Sprecher der Unionsfraktion, Norbert Barthle reagierte irritierte auf die Kritik in Zypern. „Die Proteste insbesondere gegen Deutschland sind ärgerlich und unangemessen“, sagte er. Zypern könne seine Verantwortung nicht abladen. „Da haben auch die anderen Eurostaaten und die Kommission die Verantwortung, darauf einmal hinzuweisen“, forderte er.

Der Obmann der Unionsfraktion im Finanzausschuss Hans Michelbach pflichtete bei: „Es ist nicht akzeptabel, dass die, die am meisten helfen, dann schlecht angesehen sind.“ Mit Anfeindungen werde die Akzeptanz der deutschen Beteiligung an dem Hilfsprogramm mit Sicherheit geschwächt, sagte Michelbach der Nachrichtenagentur Reuters. „Mit Sicherheit“ werde die Akzeptanz einer deutschen Beteiligung an Hilfsprogrammen in der Bevölkerung geschwächt. „Dass der Klassenbeste immer auch Klassenkeile kriegt, ist natürlich nicht ungewöhnlich“, gestand er ein. Auch Michelbach sagte, er würde es begrüßen, wenn sich die Politiker in anderen Euro-Ländern und der Kommission offensiver zu ihrer Mitverantwortung bekennen würden.

Suspicious Transactions

Cypriot Parliament Investigating Capital Flight

By [Stefan Schultz](#) in Nicosia

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Banks have been closed and accounts frozen in Cyprus recently. Nevertheless, large amounts were moved out of the country's crippled financial institutions on the eve of the bailout package. Lawmakers are suspicious and are investigating both the government and the Cypriot central bank.

Panicos Demetriades looked dead tired as he opened the press conference on Tuesday afternoon on the fourth floor of the Cypriot central bank. The questions and answers flew back and forth for 90 minutes, with Finance Minister Michalis Sarris doing his best to back up the central bank head. Outside, the mountains slowly receded from view behind into a haze, while inside journalists became increasingly restive. When the session ended, many were left wondering why Demetriades had invited them in the first place. He had virtually nothing new to say.

Many interpreted the press conference as a symbolic exercise. Central bank head Demetriades, they felt, sought to stage a show of strength to counter the [pressure](#) that has been heaped on his shoulders in recent days. For one, he announced earlier this week, without consulting the Cypriot government first, that small banks in the country would open their doors again on Tuesday, in contrast to the island-nation's two largest financial institutions Laiki and Bank of Cyprus. The result was a massive protest from the smaller banks and a reversal. The banks stayed closed. For the moment, the opening date is set for Thursday, and many fear that a [flood of angry customers](#) could overwhelm the sector.

Then, on Monday, the central bank announced that it was installing financial manager Dinos Christofides as a special consultant to the Bank of Cyprus as it prepares to take on assets from Laiki, which is to be liquidated. The deployment of Christofides is legitimate, but it triggered widespread concerns that the Bank of Cyprus too may soon be broken up. Demetriades was accused of not doing enough to explain the steps he was taking, thus intensifying investor anxiety.

Most of all, though, the central bank head has been harshly criticized due to [the suspicious capital flight](#) from Laiki and the Bank of Cyprus, the two institutions that have been hit hardest by the Cypriot banking crisis. There are indications that large sums flowed out of the two banks just before the first bailout package was signed in the early morning hours of March 16. At the end of January, some 40 percent of all savings held in Cypriot accounts were on the books of those two banks. Since then, however, much of it has been transferred elsewhere, despite orders from the central bank that accounts at the two institutions be frozen.

'Special Payments'

The central bank now stands accused of not doing enough to control the movement of capital. Transfers for humanitarian aid were permitted which, while certainly an acceptable exception, opened a loophole for abuse. Many are also furious that the bank allowed "special payments," the definition of which was never adequately established.

The Cypriot central bank has defended itself by saying that it was impossible to completely prevent all transactions, despite the account freeze. Much of the money was withdrawn from overseas, where Cyprus had no authority. Branches of Cypriot banks in non-euro-zone countries such as Russia and Britain do not answer to the European Central Bank. Their liquidity is controlled by central banks in those countries.

Such a defense is nothing less than a voluntary admission of impotence. Holders of smaller savings accounts have been unable to access much of their money for almost two weeks, companies have been unable to pay their suppliers and across the country people are concerned that their salaries will not arrive on schedule on the first of the month. Meanwhile, rich businesspeople and those with connections overseas have been able to transfer their money into foreign accounts.

Parliament in Nicosia is suspicious. Lawmakers have demanded that the central bank assemble a list of those customers who withdrew large amounts of money prior to the closure of the country's financial institutions. In particular, parliamentarians want to know if central bank employees or members of the government received early warning and were able to quickly rescue their assets.

Loss of Faith

According to the Greek television station Mega Channel, the list has already found its way into the hands of Parliament President Yannakis Omirou. No one in parliament or in the central bank could be reached for comment on Tuesday evening. Still, the parliamentary investigation indicates just how great the mistrust is between lawmakers and the government -- and how acute the doubts are as to Nicos Demetriades' competence.

Toward the end of the Tuesday evening press conference, the central bank head did finally find some news to convey. Holders of smaller accounts, he said, should be prepared for the fact that not all bank services will immediately be available. Those who had more than €100,000 parked at the Bank of Cyprus will likely lose "about 40 percent" of their assets, he said, adding that the exact amount is still being established. Despite the remaining uncertainties, though, he assured the press that the banks would open as planned on Thursday. He also said that, while Cyprus is now threatened with a recession, the economy will quickly regain its footing. Demetriades made an appeal to the entrepreneurial spirit of Cypriots.

But none of what he said is cast in stone. Bank customers could suffer for much longer and experts say that those with more than €100,000 in their accounts stand to lose up to 90 percent of their deposits. According to the Greek television station skai, Cypriot banks will remain closed until April 1. And economists forecast a deep recession for Cyprus with high unemployment, comparable to that which has gripped Greece in recent years.

What remains is a central bank head who has lost much of the trust confided in him. He has said that he does not intend to resign, and because his job enjoys constitutional protections, he cannot be fired. Nonetheless, Cypriot President Nicos Anastasiades seems to have had enough of him. According to Cypriot television, the president is currently looking into potential legal loopholes that would allow him to get rid of Demetriades anyway.

The euro crisis

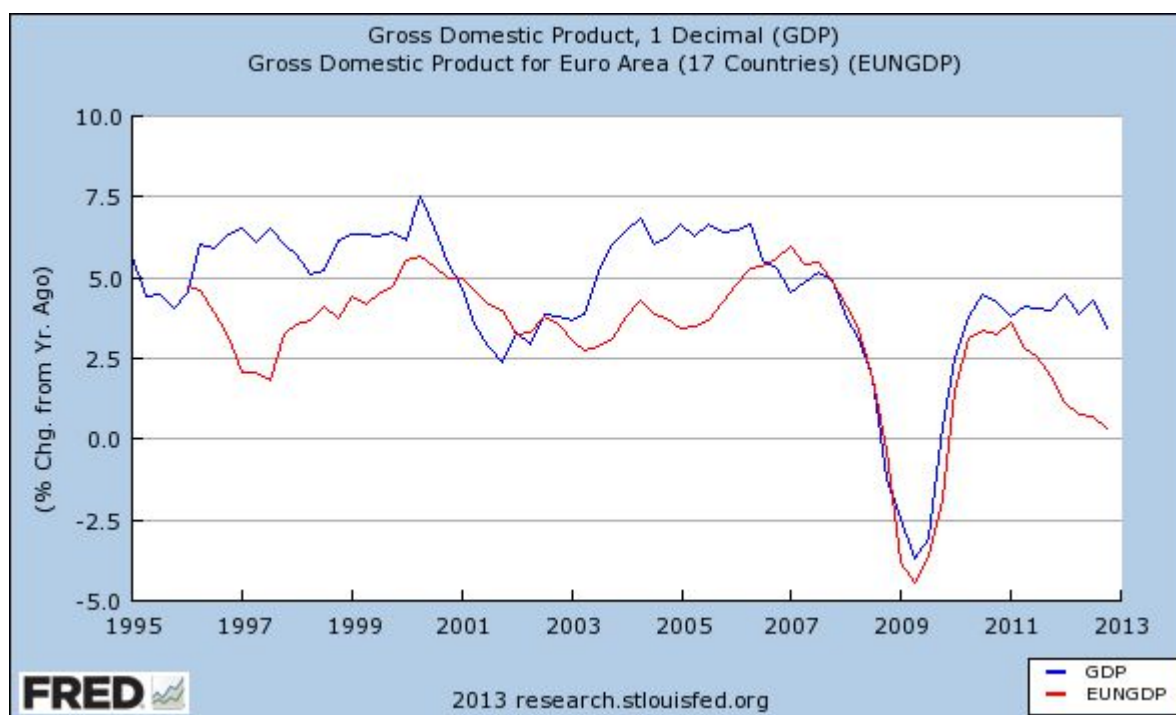
The biggest problem

Mar 27th 2013, 14:36 by R.A. | WASHINGTON (on the ECB not doing enough...)

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EUROPE has a lot of economic problems. It has the sort of problems everyone has: demographic headwinds, plateauing educational attainment, the need to continue pushing out the technological frontier, and so on. It has the regular sorts of problems some countries do better than others: tangled and excessive regulation, rigid labour markets, overly large and inefficient public sectors, and so on. It has the acute problems now common to rich countries: excessively large and overleveraged banks, deleveraging households, and piles of bad loans. It has the chronic financial problems now common to rich countries: no one knows how to manage systemic risk in the financial sector and address moral hazard. It has the very nasty problem of policy spillovers in a currency union that lacks the institutional capacity to manage them: fiscal or financial trouble in the smallest of euro-zone states can destabilise much larger economies, and efforts to raise the external surplus in one euro-zone economy necessarily complicate life for other euro-zone economies trying to do the same thing. It has all these problems, and some of them are directly responsible for the ongoing crisis while others are steady drags that make both short-term crisis fighting and long-term growth more of a slog.

But Europe has another big economic problem, and that's a nominal problem:



The red line shows year-on-year growth in the euro zone's nominal output or, if you like, how much more money, in euro terms, is being spent across the euro area relative to the year prior. The blue line shows the same number, in dollar terms, for the American economy. The large divergence at the end corresponds to the large divergence in the performance of real growth and unemployment.

Now a dip in nominal growth will often result from a real factor. But a sustained decline in nominal growth is the central bank's fault. It can't prevent a drop in the productive potential of an economy (thanks to, say, the mysterious loss of its long-time offshore banking centre). But it can prevent a drop in the productive potential of an economy from translating into a drop in spending in the economy: it just has to pump in more money.

In general, it is a good idea for central banks to do this. When they don't, the drop in nominal growth itself becomes an economic problem. When there is less money flowing around an economy prices have to adjust downward to prevent a big drop in real activity. So do wages and debt contracts. If all those nominal variables

don't adjust quickly and smoothly you get big economic dislocations: unemployment, people who can't afford to keep servicing their debts, and so on. It's one thing, in other words, when you can't pay your debts because a sinkhole swallowed up your factory. It's another thing when you can't pay your debts even though your productivity growth has followed your expectations, because your wages have been falling due to a decline in the amount of money circulating through the economy. The latter is the central bank's fault. And it should go without saying that if you have an economy suffering from an outbreak of sinkholes, it will be much harder to adjust and respond if the central bank is simultaneously saddling people with unanticipated drops in total nominal spending.

This brings us to the mutterings of Dutch finance minister and current Eurogroup head Jeroen Dijsselbloem. Mr Dijsselbloem has contributed to an exciting few days for financial markets with his on-again, off-again comments to the effect that the depositor bail-ins used to help fund Cyprus' bail-out just might become a template for dealing with future banking issues elsewhere in the euro zone. In Mr Dijsselbloem's defence, this is obviously what many high-level officials in core euro-area economies are thinking. And the principle that uninsured depositors should contribute more when holes in failing banks are being plugged and taxpayers less is sound, in terms of justice and incentives. His statement only looks daft and dangerous because of the current threat of euro-zone-wide bank runs. Right, that.

But here we get a sense of why the nominal problem is in many ways *the* problem. It's tempting to argue that a focus on demand-side issues in the euro area is silly because there are so, so many obvious structural issues that require reform. But the two can't be separated.

One could argue, for instance, that bank runs on the continent wouldn't be such a big threat if huge bank losses weren't being amplified by a deep, demand-side recession. There's no avoiding a big housing adjustment and knock-on bank losses in Spain, it's true. But a big drop in nominal growth in Spain means that it's much worse than it has to be. Nominal home prices have to fall by more for a desired real adjustment, wages have to fall by more making servicing of a given loan more difficult, and so on.

Even if bank runs weren't a risk, the Dijsselbloem solution would be dangerous in the current environment. The European Central Bank could simply fill bank funding holes by printing money. That would have nasty moral hazard implications but on the bright side it would prevent bank resolutions from causing money-supply growth to fall well below expectations, adding to the nominal problem. The promise to hit uninsured deposits as a matter of course, by contrast, improves incentives but should lead us to revise our expectations of money-supply growth down. That wouldn't be a problem if we knew the ECB would work aggressively to offset the fall, through Fed-like asset purchases, for instance. But the steady decline in nominal GDP growth suggests that the ECB either isn't interested in addressing the nominal problem or feels hemmed in politically. Either way, the ECB's behaviour puts the euro zone in a suggestion where sensible reforms become dangerous because they exacerbate the nominal problem.

Central bankers like to say that monetary policy isn't a panacea, and they're right. But monetary policy can solve the nominal problem. And because the severity of so many other problems is contingent on the severity of the nominal problem, bad monetary policy can make it difficult to get *anything* else right.

Luxembourg, Malta Stress Distance from Cyprus

By [TOM FAIRLESS](#)

BRUSSELS—Luxembourg and Malta moved to defend their economic models after Cyprus's bailout turned the spotlight on other small euro-zone countries with large financial sectors.

Senior officials from the two countries, both of which have financial sector assets many times the size of economic output, slammed what they called misleading comments from senior European officials suggesting that small countries with huge financial sectors may present a threat to financial stability in the euro zone.

In a statement released early Wednesday, Luxembourg's government said it is "concerned" about recent "comparisons between the business model of international financial sectors in the euro area."

The comments come two days after Cyprus secured a €10 billion (\$12.9 billion) European bailout under terms that include winding down its second-largest bank, Cyprus Popular Bank PCL. On Wednesday [Cyprus laid out details of aggressive capital controls](#) to curb the flow of money out of the country.

Luxembourg, with a population of just 525,000, has one of the European Union's largest banking sectors on paper, thanks to a tradition of low taxation and comparatively light regulation dating back decades. According to European Central Bank data, the country's banking assets are about 22 times its annual economic output, compared with a multiple of around seven for Cyprus.

The Luxembourg government took particular issue with comments by some officials that have attempted to boil down the essence of Cyprus's problems into a simple question of the size of its banking system, relative to its overall economy. What matters, rather, is the "quality and solidity" of the financial sector and its size in relation to the euro area as a whole, the government said in a statement.

The Luxembourg government said that its financial industry has a "diversified customer base, sophisticated product services, efficient supervisory mechanism and rigorous respect and implementation of international standards add to its uniqueness". By contrast, Cyprus's financial sector was considered to be "structurally unbalanced," it said.

Cyprus's bailout has sparked fresh warnings from policy makers about overreliance on financial sector revenue. In a speech in Moscow last week, European Commission President José Manuel Barroso said the crisis in Cyprus was "the result of an unsustainable financial system" that was a multiple of the country's GDP and "certainly has to adapt."

"Markets are now focusing on potential weaknesses in euro-zone states whose banking sectors very large relative to their economies," said Christian Schulz, an economist at Berenberg Bank in London.

The Cypriot bailout was notable for being the first in the euro zone to impose losses on bank depositors for the first time. The agreement is designed to protect deposits up to €100,000, but will impose severe losses on bigger ones.

Berenberg's Mr. Schulz said that the political signals from the Cyprus bailout are a clear threat to Luxembourg's interests. "That in itself will raise concern with people who have large deposits there," he said.

Still, Luxembourg's banking sector consists largely of subsidiaries and branches of foreign banks, so significant support might be expected from mother banks and, ultimately, the governments of those

mother banks, in the event of a crisis. Just 8% of Luxembourg's banking assets are held by domestic banks compared with 71% for Cyprus, according to Mr. Schulz.

That is reflected in the assessment of the three big international credit ratings firms, all of which still rate Luxembourg's government debt at triple-A.

"The Cyprus crisis has had no impact on Luxembourg banks or on client deposits," said Ernst Wilhelm Contzen, the Luxembourg Bankers' Association chairman, in an emailed statement.

"The Luxembourg banking system is one of the soundest and safest in the European Union, with Luxembourg banks having an average solvency ratio of over 17% over the last years" and remains a "haven for investors and depositors at the heart of the Euro-zone," he said.

In an interview published Wednesday, the central bank governor of Malta, another small country with big ambitions to build a financial sector, also dismissed as "misleading" any comparison with Cyprus. The assets of Malta's major banks amount to "just below 300%" of GDP, which by international standards was "within normal limits," Josef Bonnici said in an interview with the Times of Malta. Mr. Bonnici also highlighted the exceptional nature of Cypriot banks' losses on Greek government debt.

"Maltese domestic banks have limited exposure to securities issued by the program countries," Mr. Bonnici said.

Im Gespräch: Zyperns Außenminister

„Wir zogen einen Euro-Austritt ernsthaft in Betracht“

27.03.2013 · Der zyprische Außenminister Ioannis Kasoulidis vermisst europäische Solidarität. Im Interview spricht er über ernsthafte Gedanken zum Austritt aus der Eurozone und die Zukunft des Landes. 74,175



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Außenminister Ioannis Kasoulidis bei einer Pressekonferenz

Herr Minister, es sieht so aus, als müsse Zypern nicht nur den Bankensektor neu ordnen, sondern auch außenpolitische Reparaturarbeiten betreiben. Den Beziehungen zur EU waren die vergangenen zehn Tage jedenfalls nicht förderlich.

Ich stimme zu, dass Zyperns Ruf befleckt wurde. Dabei geht es nicht nur um das, was in der vergangenen Woche geschah. **Es geht auch um all die Vorwürfe in den Monaten davor, Oligarchen betrieben hier Geldwäsche. Es ist lächerlich, hier über Oligarchen zu sprechen. Die russischen Einlagen bei zyprischen Banken machen 20 Milliarden Euro aus. Das ist das Vermögen eines halben Oligarchen.**

Ein einfacher Milliardär qualifiziert sich auf Ihrer Skala nicht als Oligarch?

Ein Milliardär ist kein Oligarch. Es ist leicht, eine Milliarde zu haben. Ich will nicht sagen, dass es das Phänomen der Geldwäsche nicht in einem bestimmten Ausmaß tatsächlich gegeben hat. Aber es wurde so getan, als ob alle Zyprioten Banditen und Gangster wären, wie Jean-Claude Juncker als früherer Chef der Eurogruppe zu Recht kritisiert hat. Das war für uns sehr verletzend. **Zypern befand sich immer unter der Kontrolle der zuständigen Aufsichtsbehörden und erhielt für seinen Kampf gegen Geldwäsche vergleichsweise gute Noten. In der vergangenen Woche nun wurde dieser kleine Staat zu einer Entscheidung aufgefordert, die für uns bis dahin undenkbar war. Das war nicht einfach zu schlucken. Es dauerte eine Woche - und es war ein Wunder, dass es nur eine Woche dauerte -, bis sich die Einsicht durchgesetzt hatte, dass das, was geschehen würde, unvermeidlich war.**

Warum dauerte es so lange?

Weil wir vor einer Aufgabe standen, die keiner der Staaten, die vor uns die Solidarität der EU in Anspruch nehmen mussten, zu bewältigen hatte. **Wir mussten zum einen die Haushaltslage des Staates verbessern, denn der Staat war und ist nicht in der Lage, seine Auslandsschulden zu begleichen. Außerdem hatten wir ein Bankensystem, das vor dem Abgrund stand. Wir standen also vor der Wahl, entweder aus dem Euro auszusteigen - und das war eine Möglichkeit, die wir zeitweilig ernsthaft in Betracht ziehen mussten - oder aber im Euro zu bleiben und zu erliden, was wir derzeit erliden. Um es ganz offen zu sagen: Wir haben dieses Vorgehen nicht als europäische Solidarität empfunden.**

Wie haben Sie sich denn eine Lösung vorgestellt?

Ehrlich gesagt: Ich weiß es auch nicht. Aber ich kann mich des Eindrucks nicht erwehren, dass wir in Zypern ein erstes Experiment zu der Art erlebt haben, wie künftig das Geld der Steuerzahler davor bewahrt werden soll, zur Rettung von Banken eingesetzt zu werden.

So hat es der niederländische Finanzminister Dijsselbloem auch angedeutet, bevor er seine Worte teils zurücknahm.

Er nahm sie zurück, weil er sie zurücknehmen musste. **Die Wahrheit liegt in seiner ursprünglichen Aussage.**

Manche zyprische Banker und Abgeordnete sagen, hätte das Parlament den ersten Plan der Eurozone angenommen, hätte das Bankensystem trotz schwerer Verluste gerettet werden können.

Ich habe selbst gesagt, dass der erste Plan eine gute Gelegenheit für Zypern war. **Hätte das Parlament die erste Vereinbarung, so schlecht sie auch war, gleich am vorvergangenen Sonntag gebilligt und es nicht erst aufgeschoben und dann abgelehnt, wäre die Laiki Bank womöglich zu retten gewesen.** Aber ich bitte um Verständnis dafür, dass es eine extrem harte und plötzliche Lösung war, die das zyprische Parlament da billigen sollte.

Wurde Zyperns Präsident von der Eurogruppe gezwungen, auch Sparguthaben unter 100000 Euro in die Zwangsabgabe einzubeziehen, wie er es darstellt? In Brüssel und Berlin wird das bestritten.

Der erste Vorschlag von der **Kommission** sah eine Abgabe von 3,5 Prozent auf Guthaben unter 100000 Euro vor.

Das bedeutet also, die Kommission wollte sich über die Garantie für Einlagen von bis zu 100000 Euro hinwegsetzen?

Ja - aber sie sagten, es handele sich nicht um eine Zwangsabgabe, da die Betroffenen Anteilscheine der Banken erhalten sollten und ihr Geld damit nicht irreversibel verloren war. **Dann sagten jedoch der Internationale Währungsfonds und der deutsche Finanzminister, dass die Abgabe nicht hoch genug sei, um auf 5,8 Milliarden Euro als zyprischen Eigenbeitrag zur Rettung der Banken zu kommen.**

Hielt man es im Außenministerium für eine gute Idee, der EU nach dem Scheitern der ersten Parlamentsabstimmung den Rücken zuzuwenden und den Finanzminister zu Bailout-Verhandlungen nach Moskau zu schicken?

Wer sagt denn, dass wir der EU den Rücken zugewandt haben? Das ist eine falsche Interpretation der Vorgänge. **Es waren die EU und insbesondere Deutschland, die Russland an dem Bailout beteiligen wollten, weil es dabei auch um russisches Geld ging.** Unser Minister ist nach Moskau gereist, um zu versuchen, den Fehlbetrag zur Rettung Zyperns zu sichern. Russland und die EU sind strategische Partner. **Ich denke nicht, dass Russland in Zypern etwas erreichen wollte, was sich gegen die Interessen der EU richtet.** Präsident Putin hat Anweisungen gegeben, die Laufzeit des uns von Russland gewährten Kredits zu verlängern und den Zinssatz von 4,5 auf 2,5 Prozent zu senken. Ich denke, das ist das Maximum dessen, was Russland bieten kann. **Natürlich konnte man Stimmen von Bürgern und einigen Politikern aus dem linken Spektrum hören, dass Zypern die Eurozone verlassen und Schutz bei Russland suchen solle. Aber das geschah inmitten einer verzweifelten Situation.**

Wie wird die Regierung versuchen, das verlorene Vertrauen in das zyprische Bankensystem zurückzugewinnen?

Wir haben ein ausgezeichnetes Justizsystem und viele gutausgebildete Menschen. Ein Bankenplatz muss sich nicht notwendigerweise auf Einlagen stützen. **Die Einlagen waren für unsere Wirtschaft sogar schädlich. Unsere Banken boten hohe Zinsen für Guthaben an, was sich in noch höheren Zinsen für Kredite spiegelte und unserer Wirtschaftsentwicklung abträglich war. Wir wussten also, dass wir ein Geschäftsmodell hatten, das korrekturbedürftig war und geändert werden musste. Wir beklagen uns nur darüber, dass man uns gezwungen hat, es so abrupt und brutal zu ändern.**

Staatspräsident Anastasiadis hat umfassende und schnelle Ermittlungen zur Suche nach Verantwortlichen für Zyperns Misere angekündigt. Am Beginn des griechischen Bankrotts 2010 gab es ähnliche Versprechen, aus denen nichts wurde. Wird das in Zypern anders sein?

Ich hoffe, dass es hier anders laufen wird und die Ermittlungen zu Ergebnissen führen werden. Das Justizsystem wird seine Arbeit machen. Wir haben noch nicht im Kabinett darüber gesprochen, aber wenn es stimmt, was in den Zeitungen stand, soll Giorgios Pikis, der frühere Präsident unseres Obersten Gerichtshofs, der danach an den Internationalen Gerichtshof in Den Haag ging, die Ermittlungen leiten.

Werden die Zyprer, ähnlich wie viele Griechen, die Deutschen und den europäischen Norden für die gewaltige Rezession verantwortlich machen, auf die Zypern jetzt zusteuert?

Ich habe bereits sehr deutlich gesagt, dass wir das, was geschehen ist, nicht als europäische Solidarität verstehen. Es hat aber keinen Sinn, jetzt Rechnungen zwischen Nord und Süd aufzumachen. Eine solche Debatte ist zwecklos und ungesund.

Aber sie findet auf den Straßen statt.

Ich ignoriere sie auch nicht. Schauen Sie: Wir haben mit der Troika bereits im vergangenen Dezember ein Memorandum unterzeichnet, das Kürzungen von Gehältern und Renten sowie Steuererhöhungen vorsieht. Und im Gegensatz dazu, wie anderswo damit verfahren wurde, haben wir das Memorandum auch strikt umgesetzt. **Als Folge der Rezession wird der zypriische Steuerzahler nun aber weitere Opfer bringen müssen.**

Nochmals: Ist Europas Banken- und Staatsschuldenkrise auch ein europäischer Nord-Süd-Konflikt?

Vielleicht bin ich davon beeinflusst, dass ich viele Jahre Abgeordneter des Europäischen Parlaments war. Dort habe ich mich als Europäer betrachtet, nicht als Südeuropäer. Ich mag diese Debatte nicht. Ich denke, dass die Steuerzahler in den stärker industrialisierten Staaten nicht immer verstehen, dass sie gesunde Volkswirtschaften in der EU brauchen, um ihre Produkte zu verkaufen.

Um die Schaffung gesunder, nicht überschuldeter Volkswirtschaften geht es doch gerade in der Debatte der vergangenen Jahre.

Bei allem Respekt und Verständnis für den deutschen Steuerzahler: Wenn er sagt, er wolle nicht, dass sein Geld für ein südliches Land ausgegeben wird, das seine Hausaufgaben nicht gemacht hat, vergisst er, dass er das Geld, mit dem jetzt in Schwierigkeiten geratenen Staaten der EU geholfen wird, nicht nur verzinst zurückerhält, sondern auch durch den Erhalt der Absatzmärkte in der EU.

Sie waren bereits zwischen 1997 und 2003 Außenminister Zyperns. Wie hat sich die strategische Lage Ihres Landes seither verändert?

Der östliche Mittelmeerraum hat für Europa stark an Bedeutung gewonnen. Viel steht auf dem Spiel. Es geht um die Türkei, Syrien, Iran, den arabischen Frühling, die Veränderungen in Ägypten und im Libanon. Gas- und sogar Ölvorkommen wurden im östlichen Mittelmeer entdeckt. **Zypern möchte demonstrieren, dass es in der Region eine Außenpolitik betreiben kann, die einen Mehrwert für die EU hat.**

Der engste Verbündete Zyperns, Griechenland, wird wirtschaftlich immer unbedeutender. Der engste Verbündete des türkisch besetzten Teils der Insel, die Türkei, gewinnt von Jahr zu Jahr an politischer und wirtschaftlicher Macht. Was sind die Konsequenzen für Zypern?

Wir müssen diese Veränderungen zur Kenntnis nehmen. Viele Menschen begehen den Fehler, unsere Beziehungen zur Türkei als Nullsummenspiel zu deuten. Das ist nicht mein Verständnis. **Natürlich werden wir unsere nationalen Interessen verteidigen und uns für ein Ende der Besatzung eines Teils unseres Landes einsetzen.** Aber das bedeutet nicht, dass wir uns in einem Nullsummenspiel mit der Türkei befinden.

Gilt das auch für die Ausbeutung der Gasvorkommen vor Zyperns Küste?

Was hat das mit der Türkei zu tun? In Zyperns exklusiver Wirtschaftszone im Meer wurden Gasvorkommen entdeckt, die wir nutzen wollen. Wichtige europäische Konzerne, Total aus Frankreich, Eni aus Italien oder koreanische und amerikanische Konzerne haben Interesse bekundet.

Ist der Traum von den Milliardenereinnahmen durch Gasfunde realistisch?

Die internationalen Konzerne, die sich um die Lizenzen zur Ausbeutung der Vorkommen bemühen, werden wohl wissen, was sie tun. **Sie investieren Geld, nicht wir.**

Wie soll die türkische Bevölkerungsgruppe Zyperns an den erhofften Einnahmen beteiligt werden?

Wir haben nie das Recht aller Bürger dieses Landes auf einen Anteil an dem möglichen Reichtum bestritten. Es soll ein Fonds für künftige Generationen geschaffen werden, etwa für Stipendien. Dieses Geld wird auch türkischen Zypriern zur Verfügung stehen. **Der Rest kann aber erst geklärt werden, wenn die Teilung Zyperns überwunden ist. Oder sollen wir etwa an die selbsternannte sezessionistische Entität, die in einem Teil unseres Staates existiert und von der gesamten Welt nicht anerkannt wird, auch noch Geld zahlen?**

Können Sie einen Grund nennen, aus dem sich Ausländer noch für die zyprische Teilung interessieren sollten, nachdem die griechischen Zypriern 2004 in einem Referendum deutlich gemacht haben, dass sie nicht bereit sind, zur Überwindung der Teilung maßgebliche Kompromisse einzugehen?

Als die Franzosen und die Niederländer vor einigen Jahren gegen eine europäische Verfassung stimmten, hat sich der Rest Europas auch dafür interessiert. **Wenn der Rest Europas sich nicht mehr für Zyperns Teilung interessiert, macht mich das sprachlos.**

Die Fragen stellte Michael Martens.

Quelle: F.A.Z.

Les Français, champions de la natalité malgré la crise

- Par [Agnès Leclair](#)
- Publié le 28/03/2013 à 06:45

74,179

La récession n'a pas eu raison du taux de fécondité élevé des Français. Contrairement à ses voisins, la France évite un « krach » démographique.

Publicité

Même en temps de crise, les Français restent champions des bébés. On les dit démoralisés, pessimistes et moroses mais ils ont l'art du contre-pied. Alors que la chute des courbes de croissance s'accompagne d'une dégringolade de la fécondité dans la plupart des pays occidentaux, la France résiste. Un paradoxe que l'Ined a choisi de décrypter dans une publication dévoilée ce jeudi.

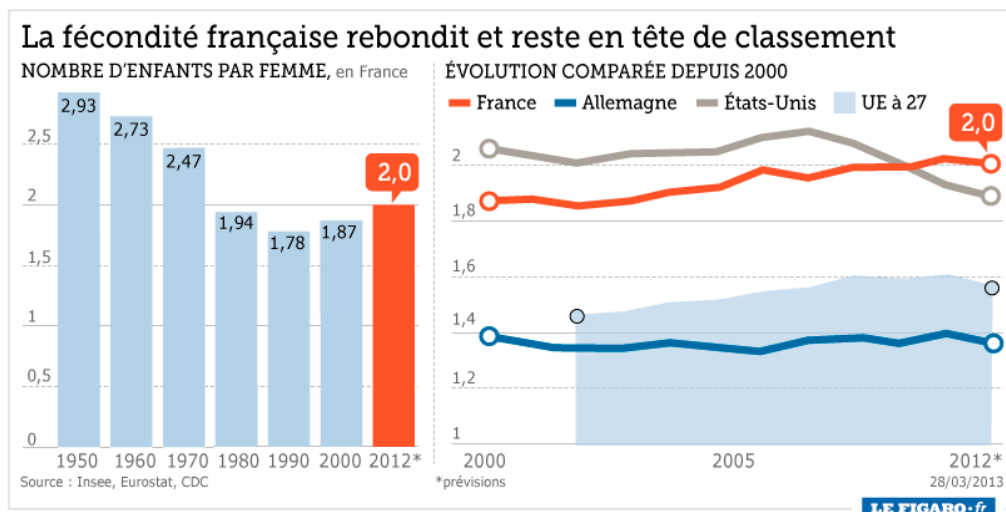
En 2012, les nouveau-nés ont été aussi nombreux à voir le jour dans l'Hexagone qu'en 2011 (792.000 en 2012 pour 793.000 en 2011) et l'indicateur de fécondité s'est maintenu à 2 enfants par femme. La moyenne d'âge à l'accouchement est toujours plus élevée (30,1 ans en 2012).

À l'inverse, les berceaux se raréfient «dans la plupart des pays développés», [chez nos voisins européens](#) et de manière encore plus sensible aux États-Unis, indique Gilles Pison, directeur de recherches à l'Institut national d'études démographiques (Ined). Une baisse des naissances qui suit de près la récession et la montée du chômage. «Aux États-Unis, par exemple, l'indicateur de fécondité qui atteignait 2,12 enfants par femme au début de la crise en 2007 a reculé à 1,89 en 2011, décrit Gilles Pison. On retrouve cette baisse dans la plupart des pays occidentaux mais de manière plus atténuée».

Léger recul chez les femmes de moins de 30 ans

Depuis 2009, l'indicateur européen de la fécondité est en panne. Il est stabilisé à un peu moins de 1,6 enfant par femme dans l'Union européenne après une période de progression continue d'une dizaine d'années, souligne pour sa part la Commission de Bruxelles dans sa Revue trimestrielle parue le mardi 26 mars. Autre exception européenne, l'Irlande se maintient à un taux de fécondité record en Europe de 2,05 enfants en 2011.

«La baisse de la fécondité est plus tardive en Europe qu'aux États-Unis: elle ne commence pas avant 2009 ou 2010», précise le démographe. Elle est presque de même ampleur dans certains pays, comme l'Islande qui a pris de plein fouet les conséquences de la crise financière mondiale tandis que la baisse de la fécondité en France - de 2,02 en 2010 à 2,00 en 2011- reste très limitée.



Le désir d'enfant est-il donc plus fort que les difficultés économiques? Les Français font-ils des bébés pour conjurer le marasme? «La crise n'a pas été sans effet sur la natalité. Sans ce ralentissement économique, les naissances auraient sans doute été plus nombreuses en 2011 et 2012 et l'indicateur de fécondité de la métropole aurait pu dépasser le seuil de deux enfants par femme», conçoit le chercheur.

Cette crise a aussi pour particularité d'être survenue au moment où la fécondité des pays occidentaux commençait à remonter. Après des années de baisse, les femmes avaient cessé de reporter leurs maternités. Ces grossesses plus tardives ont grossi le nombre de naissances annuelles et relevé les indicateurs. En France, la récession n'a pas inversé cette tendance. «On observe tout au plus un léger recul de la fécondité chez les femmes de moins de 30 ans en 2011 et 2012», selon Gilles Pison. Une baisse «modeste» et «plus que compensée par la hausse ininterrompue de la fécondité après 30 ans».

De plus, «en France, les politiques sociale et familiale ont amorti le choc de la récession, estime le démographe de l'Ined, et l'économie a relativement mieux résisté à la crise que dans d'autres pays». Une pierre dans le jardin des [partisans d'une réduction des allocations familiales](#).

Serait-il néanmoins possible que la crise entraîne une baisse à retardement de la fécondité française? Gilles Pison semble en douter: «Même si le chômage continue de progresser, cet effet de baisse aurait déjà été décelé».

The Cyprus bail-out

This septic isle

Being tough on bank creditors could prove costly for northern European taxpayers

Leader Mar 30th 2013 | [From the print edition](#)

74,181

THE second deal to bail out Cyprus was much better than the first. For one thing, there was actually a deal: with the €10 billion (\$13 billion) loan the prospect of the euro zone's first exit has receded. An agreement among euro-zone finance ministers to wind up Laiki Bank, Cyprus's second-biggest bank, and restructure Bank of Cyprus, the largest lender on the island, undid the worst elements of the initial botched agreement. Savers with accounts below the €100,000 deposit-guarantee threshold will be spared. Losses will hit creditors of weak banks in line with the normal hierarchy: shareholders and junior bondholders first, followed by senior bondholders and uninsured depositors (see [article](#)).

About time, many—especially the German voters who, it seems, figured large in the minds of the plan's architects—will say. For far too long during this crisis banks on Europe's periphery have got into trouble and been bailed out by northern European taxpayers. Jeroen Dijsselbloem, the Dutchman who heads the Eurogroup of finance ministers, made it clear on March 25th that the Cypriot deal represented a template: if banks fail, creditors can expect to pay the whole bill. The principle of moral hazard has supposedly been re-established.

But at what cost? The fact that, within hours, Mr Dijsselbloem was back to calling Cyprus a one-off is a clue. His earlier comments had prompted a slide in the markets, as investors deduced that the deal had weakened the euro zone as a whole in three ways that German voters may come to rue.

First, Cyprus itself looks crushed (see [article](#)). The collapse of its oversized, Russian-flavoured banking sector will cause a catastrophic economic slide—one which may need more cash.

Second, the deal allows Cyprus to use capital controls to stop deposits fleeing the banks when they reopen (on March 28th, with luck). The single currency is now not so single: a euro in a Cypriot account is not worth the same as a euro in Greece or Belgium. The euro zone says these controls are temporary, but Iceland's are still in place over four years after they were imposed. A precedent for restricting the movement of euros is one that investors and depositors will not soon forget.

Third, the decision to punish large depositors will also weaken the euro zone. Whatever the justice of saving Russian money-launderers, the best way to protect European taxpayers from the cost of cleaning up banks is to give all short-term creditors reason to stay put. Hitting them will discourage them from putting money into weak banks in peripheral economies, and make it even harder to keep sick banks alive in crises. When a run starts it is rational for others, even insured depositors, to join. The euro area has €8 trillion of deposits and only €4.5 trillion of annual government revenues: governments could not guarantee all the deposits even if they wanted to.

Greater instability, coupled with rising resentment of creditor countries in a stagnant periphery (see [Charlemagne](#)), is a bad outcome for northern European taxpayers. It would have been better to put up a bit more money and push on with building a better banking system. That means extra capital: large European banks are building up buffers but are still €112 billion short of the new Basel 3 requirements. It also means putting less flighty creditors in the line of fire, by adopting an EU-wide resolution regime requiring banks to issue bonds that absorb losses before big depositors do. And only a full euro-zone banking union, including a fiscal backstop and a joint deposit-guarantee scheme, will break the link between weak banks and weak sovereigns. Europe, sadly, is behind in all these things.

The future of Cyprus

A troubled island story

Its bail-out may keep Cyprus in the single currency, but at a high cost

Europe Mar 30th 2013 | NICOSIA | [From the print edition](#)

74,182



DREAD was mixed with anger. Cypriots feared that deposits in the two largest banks, Bank of Cyprus and Laiki Bank, might be taxed or converted into worthless equity—and worried about the economic effects. The glum mood in the shops and cafés of Nicosia was little improved when the terms of their country’s €10 billion (\$13 billion) bail-out emerged on March 25th (see [article](#)). The deal will close Laiki Bank, restructure Bank of Cyprus and impose big losses in both institutions on deposits above €100,000.

Many anxious Cypriots queued patiently to draw cash out of ATMs. Others protested angrily in the streets, waved Russian flags and talked about leaving the euro. They had hoped that joining the European Union (in 2004) and the euro (in 2008) meant solidarity from their fellows. The troubles of the two banks were caused, some believe, by a decision to buy Greek government bonds that were then restructured. They feel they are being punished by the EU for no fault of their own.

Victimhood is hardly new in Cyprus: the island’s troubles are routinely blamed on outsiders like Turkey, Greece, Britain or (now) Russia. What stuck in the craw was being told that the Cypriot business model had to change. Not all agree: speaking at a conference organised by *The Economist* in Nicosia on March 22nd, Chris Pissarides, a Nobel-prize-winning economist, argued that relying on business services and tourism in an economy with no manufacturing tradition was quite sensible.

The bail-out will inevitably force change. Capital controls may slow deposit flight, but after the threats of taxes, levies and now the conversion of large deposits into equity, foreign (especially Russian) money will very likely go elsewhere. Worse, the crash will shrink the economy. Fiona Mullen of Sapianta Economics, a local consultancy, notes that in 1974, when Turkey invaded the north after a Greek-Cypriot government tried to unite with Greece, GDP fell by 17% in that year and by 19% in 1975. Although the IMF talks optimistically of a fall of only 10% this time, she predicts falls of 15% this year and another 5% in 2014. This will have horrific effects. After the collapse of Laiki, unemployment is heading for 17% this year, says Ms Mullen; it could exceed 25% in 2014.

Cyprus cannot hope for more EU help. The past two weeks have annoyed creditors as much as Cypriots (see [Charlemagne](#)). Most Europeans were cross that the (Greek-Cypriot) republic happily joined the EU in May 2004 despite a week earlier voting down the United Nations’ Annan plan to reunify the island (the Turkish Cypriots voted in favour). Cyprus’s relations with Russia, the source of one-third of its bank deposits, have long irked many EU countries. So did the behaviour of Demetris Christofias, the president, a Communist who, despite asking for a bail-out last June, kept looking to Russia for help.

Cyprus's creditors felt they had to wait for a new centre-right president, Nicos Anastasiades, before doing a deal. Now Mr Anastasiades is saddled with the blame and the task of revitalising a moribund economy. Yet a bold president, elected with a large majority last month, ought to have some leeway. The public sector needs reform and cutting back. As Phidias Pilides, president of the Cyprus chamber of commerce, pointed out, public spending gobbles up 46% of GDP and public-sector employment has almost doubled since 1990. Much could be privatised, including Cyprus Airways, the electricity authority, the telecoms utility (one of only four in Europe still in public ownership) and ports. Competitiveness needs attention: Cyprus comes 36th in the World Bank "Doing Business" rankings and 58th in the World Economic Forum's competitiveness table.

Cyprus has advantages. A well-educated workforce, lots of accountants and lawyers, a largely uncorrupt bureaucracy and the English legal system should help non-financial business services. Cyprus has bounced back before. For instance, in July 2011 an explosion destroyed the main Vasilikos power station, which was repaired faster and more cheaply than expected.

Above all, two prizes could be had. One is recent gas finds in the eastern Mediterranean. A resource bonanza is some way off as the cost of getting the gas out and exporting it would be huge. But what would make a huge difference is the second prize: a Cyprus settlement that reunified the island. Ms Mullen says that laying a gas pipeline from Cyprus to Turkey would be \$15 billion cheaper than the \$20 billion alternative of building a liquefied natural-gas plant. Reunification would also boost Cyprus's GDP by some 3% a year, she reckons.

Could Mr Anastasiades do it after so many have failed? The political obstacles are large; Mr Christofias got nowhere. Yet unlike his predecessors Mr Anastasiades voted for the Annan plan in 2004. And a desire to exploit the Mediterranean gas, which is also claimed by the Turkish-Cypriots, makes a settlement far more pressing. Turkey has just mended its fences with Israel, which shares some of the gasfield. Relations with the EU are also improving.

Next year sees the 40th anniversary of the island's division. Young people on either side of the "green line" have no memory of a united Cyprus, so a settlement is not getting any easier. Yet if Mr Anastasiades misses this opportunity, the island may be mired in economic gloom for decades to come. Inept handling of the EU bail-out may have weakened his chances. Even so, he needs to try.

[From the print edition: Europe](#)

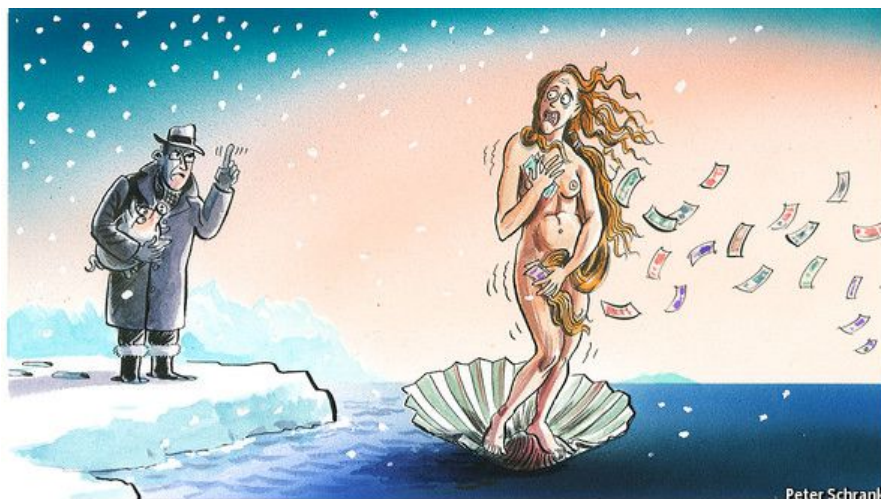
Charlemagne

North is north

The euro zone's exasperated north must do more than complain about the south's troubles

Charlemagne Mar 30th 2013 | [From the print edition](#)

74,184



LAPLAND is just about as far from Cyprus as one can go in Europe. But on a spring day the sun reflected on an endless expanse of snow can be as bright as a Mediterranean beach. Russian pleasure-seekers and businessmen may flock to both countries. Yet in economic terms they are worlds apart. This week Cyprus became the fifth euro-zone country to negotiate a euro-zone bail-out; AAA-rated Finland, in its laconic way, is perhaps the most hardline of creditor states.

It is striking how the economies of EU countries on the Baltic Sea—from Scandinavia round to Germany, Poland and the ex-Soviet Baltic states—boast the union's fastest-growing economies while many of those on the Mediterranean, from Greece to Spain, are shrinking fastest. The reasons are complex. For now, north and south are living up to stereotypes: Cyprus as the birthplace of the beautiful but fickle Aphrodite, who emerged from the surf at Paphos; Finland as the home of Vainamoinen, the wifeless old bard who, according to the “Kalevala”, a Finnish epic, surfaced from the primeval sea to plant the barren land.

Bitterness between north and south is intensifying. In Cyprus protesters took to the streets angrily to defend their bank deposits, decry their looming impoverishment and denounce Europe, especially Germany. At the same time in Finland the prime minister, Jyrki Katainen, summoned several European leaders for a retreat in a Lappish resort to discuss how to bring greater “fairness” to European affairs. Those who “follow the rules” (ie, northerners) must not always have to put up money for those who break them (ie, southerners), he declared.

The terms of the Cypriot rescue package reflect the exasperation of the creditor states. The era of the all-encompassing rescue is ending. Bail-outs must henceforth be accompanied by the bailing in of private investors. Cyprus was told its banks would not be helped by euro-zone taxpayers. So depositors have to take the hit for an oversized financial sector that had lived off questionable Russian business and had heavily exposed itself to Greece. The northerners' priority is to avoid the mistakes in Greece, where countries of the euro zone lent more money than Athens could ever repay (including to recapitalise banks). Creditor states later had to force private bondholders to take losses on Greek debt, and are now surreptitiously writing off official debt.

The Finns, the Dutch and the Germans want to shift the euro zone away from the idea of greater pooling of liabilities, advocated by Euro-federalists. Instead they want to strengthen the euro's basic framework as set out in the Maastricht treaty: each country must be responsible for its economic policies, within centrally imposed

rules. Finland's hard stance stems, in part, from notions of national self-reliance: a small people in a vast land of forests and lakes fought alone against the Soviet Union in the Winter War of 1939-1940, then with Germany in the Continuation War of 1941-44, and against Germany in the Lapland War of 1944. In the cold war Finland was a semi-isolated buffer state between East and West.

The collapse of the Soviet Union and the bursting of a housing bubble pushed Finland into a severe recession and banking crisis: between 1990 and 1993 GDP fell by 10%, house prices fell by 40% and the Finnish markka lost 30% of its value. Finland did not seek outside assistance, and economists argue that crisis-era reforms laid the ground for strong recovery, best symbolised by the rise of Nokia, a mobile-phone maker. Having joined the euro, Finland's attitude to Club Med countries is blunt: stop moaning and get on with reforms. Just look across the sea at the Baltic states: they have gone through agonising recession, and internal devaluation within fixed currencies, but are now growing faster than anyone else in the EU. Many in the Club Med countries talk of leaving the euro. But Club Balt members are still lining up to join.

Estonia adopted the euro in 2011. Despite voters' qualms Latvia has applied to join next year. Poland and Lithuania are not far behind. To their leaders, tough fiscal rules are not an imposition but a guarantee against future instability. That Cyprus became a playground and piggy bank for Russian money hardly boosts its case among Finns. Internal politics is hardening the debate over Europe. The rise of the Eurosceptical True Finns, which became the third-largest party in the 2011 election, threatens Mr Katainen's awkward six-party coalition.

The twain must meet

The way Finland has liberalised its markets, and invested in education and technology while providing a generous welfare state and keeping tight finances, is admirable. Yet it risks falling prey to hubris. Any country can unexpectedly get into trouble and Finland is no exception. The once-mighty Nokia is in decline. Adjustment within a monetary union, where countries cannot devalue or relax monetary policy, is much more difficult, particularly when neighbouring economies are slowing down and even those with healthy budgets are retrenching. Had Finland gone through its recession within the euro, its pain would have been more intense. How much more support would the True Finns enjoy then? And how soon before Europe started talking of Finxit?

The greatest threat to the euro's survival is the increasingly poisonous politics of bail-outs in both north and south. Northerners have every right to demand responsibility from those they help. But they also have responsibilities of their own: they must show realism in designing bail-outs that do not inflict unnecessary pain; patience to delay austerity at home while others recover; and, above all, haste to rebuild the rickety financial structure of the euro zone. The first step to preventing another southern crisis is not hectoring from snowy forests, but creating a genuine banking union.

Economist.com/blogs/charlemagne

[From the print edition: Europe](#)

Calm Gives Way to Tension in Cyprus as Banks Reopen

By [LIZ ALDERMAN](#)

NICOSIA — Banks in Cyprus opened Thursday for the first time in almost two weeks, giving depositors access to their money with strict controls imposed by international lenders to prevent a bank run in the economically troubled country.

As the opening hour of noon approached, the earlier calm outside the banks began giving way to an edgier mood. Lines of 50 or more people had formed in front of the main branches of Bank of Cyprus and Laiki Bank, the country's two largest banks. Customers at the front pressed their noses to the glass doors.

Similar scenes were playing out at the city's other bank branches.

Inside the Bank of Cyprus main branch, tellers and security guards looked grim, bracing for the onslaught. Suddenly, two police motorcycles, blue lights flashing, appeared and circled the central square.

One of the customers in line, a 27-year-old businessman who would give only his first name, Miltos, shook the stack of papers in his hand. It represented nearly €40,000, or about \$51,000, in bills he owed the suppliers of his small telecommunications company.

The bank closure since March 16 had damaged his business "terribly," Miltos said. Unless he could persuade Bank of Cyprus to let him transfer more than the €5,000 limit for the month that the government has decreed, he said he feared he might soon have to declare bankruptcy.

On Wednesday, the [government imposed stiff capital controls](#) to clip the flight of money, including prohibiting electronic transfer of funds from Cyprus to other countries and capping at €3,000, or about \$3,900, the amount of cash that can be taken abroad.

Withdrawals at automated teller machines will be limited to €300 per person; for the past few days withdrawals have been capped at €100.

Credit and debit card charges will be limited to €5,000 per person per month. Banks will not cash checks; they will accept checks as deposits, but many people will no doubt be reluctant to put more money into a bank here.

Bank clients also will not be able to withdraw money from fixed-term deposits before their maturity date.

Maroulla Chrysanthou, a retiree from Nicosia who lives with her divorced son and her daughter, woke up early Thursday morning to head to the bank. She does not have an A.T.M. card and has not been able to get her money from the bank since they closed.

"My children brought me here, as I can't walk easily," she said, sitting patiently in the sun. "I've been here since 10 o'clock, reading my book and waiting. What else can I do?"

Ms. Chrysanthou said that for the 12 days while the banks were closed, her family was just barely covering its needs.

"We got by with what we had and my children were withdrawing some money so we could buy basic stuff," she said. When asked how much she planned to take from her account, she said: "As much as I can."

Yiannis Koumis, 27, works as a cashier at Laiki Bank, one of Cyprus's biggest and most troubled banks. Under the terms of a €10 billion bailout [that Cyprus secured from international creditors on Monday](#), Laiki's good assets will be merged into Bank of Cyprus, and thousands will lose their jobs.

As he headed to work for the first time in more than two weeks, Mr. Koumis said employees still did not know what their future would be. "We have orders to work for the next four days and then all we have is uncertainty," he said.

He said employees were given three pages of instructions to follow when customers come in to demand their money, outlining the transactions they are permitted to carry out. "We are only allowed to accept checks from Laiki and not to cash them, but deposit them in clients' accounts," Mr. Koumis said.

Some people said Thursday they would wait to go to the bank until all the fuss died down. "I don't want to wait two or three hours in line today, so I'll go next week," said Christoforos Parisi, the manager of the Icebody Shop clothing store. He said he had withdrawn as much money as possible from teller machines while the banks were closed.

But being without cash has been a hardship, he said. "There's no money, no nothing," he said. "It affects me and my business very much. And we don't know what will happen after."

Under European Union treaties, restricting the free movement of capital is normally forbidden. But the [European Commission issued a statement Thursday morning](#) that the unprecedented imposition of capital controls in the euro area in Cyprus was legal.

The commission stressed, however, that the measures should be rescinded as soon as possible.

"In current circumstances, the stability of financial markets and the banking system in Cyprus constitutes a matter of overriding public interest and public policy justifying the imposition of temporary restrictions on capital movements," said the commission, one of three members of the so-called troika, including the [European Central Bank](#) and the [International Monetary Fund](#), that oversees bailouts of euro-area states.

The commission said it expected the measures to apply for seven days, but added that it would "continue monitoring the need to extend the validity of or revise the measures."

Experts predict a much bigger bank run whenever the controls are eventually lifted or eased further.

"If you don't impose the controls, the money is going to fly," said Mujtaba Rahman, a senior analyst at the Eurasia Group. "But when you remove those controls, clearly the money is going to leave anyway. So they're in a Catch-22."

To make sure enough cash is on hand, the European Central Bank sent an airplane filled with about €1.5 billion in a container to Larnaca airport near Nicosia on Wednesday. The container was loaded onto a truck and escorted by police to the Cypriot central bank for safekeeping, said a person with knowledge of the operation who was not authorized to speak publicly.

The person said the European Central Bank had indicated it would continue flying cash to the country as needed.

The Cypriot finance minister, Michalis Sarris, said Wednesday that a flood of withdrawals was bound to happen quickly anyway, but that the restrictions would at least help stem a mass flight of deposits.

"Each day that banks remain closed creates more uncertainty and more difficulties for people, so we would like to do our utmost to make sure that this new goal that we have set will work," Mr. Sarris said.

Despite those strictures, the Cypriot authorities are bracing for as much as 10 percent of the €64 billion on deposit in the country's banks to be pulled out on Thursday.

The freezing of accounts at all banks since March 16 means businesses have not been able to pay their employees. Importers have also not been able to pay their bills, raising concerns about shortages of basic goods on an island that imports almost everything it consumes.

By imposing capital controls, European and Cypriot officials have effectively created two classes of euro: cash that can be freely spent, and cash that is locked up by capital controls, diminishing its value.

Andreas Riris in Nicosia and James Kanter in Brussels contributed reporting.

Cypriots' Criticism of Bailout Rattles Nerves and Raises Ire in Germany

By MELISSA EDDY



BERLIN — If Chancellor [Angela Merkel](#) of [Germany](#) is bothered by images of her wearing a mustache like Hitler's, which are being waved in streets from Cyprus to Spain, she has yet to show it, choosing instead to stress the importance of the protesters' freedom of expression.

But the intense negative reactions to the bailout program for Cyprus appear to be jangling other nerves in Berlin, where politicians, and many Germans in the street, are bristling at the perpetual comparisons with Germany's dark past.

Ms. Merkel's justice minister, Sabine Leutheusser-Schnarrenberger, broke new ground on Wednesday by calling directly on [European Union](#) leaders in Brussels to do more to defend Germany's role in helping the weaker members. According to the German Finance Ministry, Germany has contributed more than 220 billion euros, or \$280 billion, pledged through loans and financial support packages for Greece, Ireland, Portugal and Spain, all negotiated with those countries' euro zone partners.

"Germany acts in solidarity so that crisis countries will have a perspective in the future," Ms. Leutheusser-Schnarrenberger, a member of the Free Democratic Party, the junior partner in Ms. Merkel's governing coalition, said in an interview with the newspaper [Münchner Merkur](#). "I wish that those people at the top — the president of the E.U. Commission and the E.U. president — would defend Germans against unfair allegations."

She noted that although all 17 member countries were involved in deciding on aid packages when a country applied for help, Germany — Europe's largest country and by many measures its most prosperous — always ended up as the target of anger.

She also appealed for Germany's euro zone partners to help defend the measures intended to aid Cyprus from grousing. "So far, I haven't heard much of this," she said.

While Ms. Merkel has not stopped preaching austerity, support for which is widely held in Germany, senior officials have become quick to point out that the Germans were not alone in insisting on reforms from those

European partners seeking financial assistance. The Netherlands, Finland and Austria are frequently mentioned as countries that hold a similar position.

Ms. Merkel's spokesman, Steffen Seibert, rebutted suggestions from journalists on Wednesday that Germany's partners were not equally supportive of its position. He insisted that other European countries had used terms similar to Berlin's in defending the second bailout package for Cyprus, which was announced early Monday after the Cypriots rejected a proposal made eight days earlier.

But it was clear that the images of angry protests in the streets of Cyprus — including placards showing Ms. Merkel's mustachioed face above the words "Get out of our country" — had entered the discussion in the German capital. Without commenting directly, Mr. Seibert noted that the freedom to demonstrate also included "the freedom to make historical mistakes."

Influential lawmakers in Ms. Merkel's center-right party have also begun to grumble about how Germany is portrayed in nations that are receiving help.

"The protests, especially against Germany, are aggravating and inappropriate," Norbert Barthle, a conservative deputy who specializes in financial issues, told the newspaper *Frankfurter Allgemeine Zeitung*.

Last weekend, a Spanish university professor compared Ms. Merkel's policies to Hitler's in a column that appeared briefly in the online edition of the Spanish newspaper *El País*. The column, and an apology from the newspaper's editorial staff, was later taken down after a flurry of criticism on social media outlets, much of it coming from Germany.

Luxembourg's foreign minister, Jean Asselborn, has sharply criticized Germany for what he said were Germany's efforts to dictate a business model for another European country. His criticism was in response to comments from Berlin that Cyprus's banking sector was no longer sustainable, and to Germany's insistence that it be restructured as part of any agreement. Some analysts have said that being subjected to strong criticism goes along with having the strongest economy in Europe.

"Germany is experiencing the reality of power," *Frankfurter Allgemeine* wrote in a commentary on Wednesday. "Because Germany's economy is so strong and because the distance between it and its partners is growing, so is the jealousy."

When Finance Minister Wolfgang Schäuble was asked about the Cyprus deal and the assessment by some commentators that it was "a total German victory," Mr. Schäuble, who has helped shape Germany's European Union policy for decades, replied simply that his Cypriot counterpart, Michael Sarris, had thanked him at the end of the talks.

Mr. Schäuble, 70, would not comment on unflattering media reports about him that had appeared during the Cyprus negotiations. "I sometimes feel that I am described in a particularly absurd way," he said, "and I am not an infrequent target."

Poland Affirms Desire to Join Euro Zone

By [DAN BILEFSKY](#)

With the tiny island of Cyprus fighting to avoid a messy exit from the euro, it would seem a particularly inauspicious time for Poland, an economic powerhouse of Eastern and Central Europe, to be clamoring to join the currency union.

Yet in what appears to be a calculation that he can convince a skeptical nation to give up the zloty, the Polish prime minister, Donald Tusk, has opened the door to a referendum on joining the euro zone. Analysts warned that the move could backfire amid a growing backlash against the currency stoked by the euro zone's long-running debt crisis.

"I would be in favor of reaching an agreement to change the Constitution, where there would be a referendum about joining" the euro zone, Mr. Tusk said at a news conference on Tuesday, according to Reuters.

Ever since coming to power in 2007, Mr. Tusk has argued that Poland risks being relegated to the second tier of European decision-making if it remains outside the euro. Analysts said the prime minister was determined to prepare the ground for a national debate on the euro before a possible entry in 2017. Mr. Tusk has indicated that his government would only set a date for euro entry after the next election, which is expected in 2015.

Broaching the referendum issue was also tactical. Mr. Tusk has in the past opposed a demand by Law and Justice, a euro-skeptic opposition party, to hold a popular vote on the euro. Analysts said the prime minister was now raising the possibility of allowing a referendum on the condition that the opposition agree to changes to the Constitution necessary to adopt the currency.

Under the current Constitution, only the zloty can serve as Poland's currency. Mr. Tusk's Civic Platform party and its junior coalition partner, the agrarian Polish People's Party, together lack the two-thirds majority necessary to change the Constitution.

Even though any referendum is likely to be years away, analysts said Mr. Tusk faced an uphill struggle at a time when the crisis in Cyprus had made Poles extremely wary of joining the euro zone and being encumbered with spiraling costs associated with paying for the profligacy of other euro zone nations.

According to a survey conducted this month by TNS Polska, 53 percent of Poles think that adopting the euro would have a negative effect on the country, with 69 percent believing it would adversely affect their households. The margin of error was roughly three percentage points.

Witold Orłowski, a professor of economics at the Warsaw University of Technology Business School and a member of an economic council advising the government, said Mr. Tusk wanted to send a strong signal to Poland's E.U. partners that the country was determined to be at the heart of the European project, regardless of the challenges ahead.

"Who loves the euro today? Nobody. Of course, there are risks that Poles could vote no in a referendum, and the aim to expand influence could backfire," he said. But he stressed that for Poland, tugged between Russia and Germany over the centuries, joining the euro was not primarily about economics but about the political imperative of being cemented more firmly to the Union.

But Mr. Orłowski said that not being straitjacketed by the euro's one-size-fits-all monetary policy had helped Poland to weather the crisis gripping much of the Continent. Those benefits have been somewhat offset by Polish companies' complaints that being outside the euro zone saddles them with cumbersome and expensive transaction costs.

The Polish economy has proved relatively robust, although it grew by just 2 percent in 2012, down from 4.3 percent in 2011. A flexible exchange rate and tight monetary policy have helped the country to sustain growth while many of its E.U. partners have stagnated or seen their economies shrink.

Among the former communist countries in the Union, Slovakia, Slovenia and Estonia have already adopted the euro, while Latvia has indicated it wants to join as early as 2015. But enthusiasm for the currency is tepid across the former Soviet bloc countries that have yet to join, according to a recent Eurobarometer poll, with 54 percent of people in these countries, which include Hungary, the Czech Republic and Romania, believing the euro would have negative consequences for their countries.

Ryszard Petru, president of the Association of Polish Economists, said it remained doubtful that Law and Justice would agree to the necessary changes in the Constitution, even if that meant securing a referendum on the euro.

But if there were a referendum today, he added, “the no side would win.”

United Kingdom: Cypriot lessons in courting the Russian Bear

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[The Guardian](#) London

74,192

Cyprus is not the only island nation to roll out the red carpet for Russia's riches. Since the Soviet Union's collapse, London has welcomed Russian expatriates who made their fortunes plundering the collapsing state, but at what cost, asks a British journalist.

[John Kampfner](#)

An island state advertises itself as the destination of choice for the super-rich – mainly from Russia – to launder their money and reputations, while enjoying the high life and low taxes. Then it discovers all is not what it seems.

It is not just Cyprus that might have cause to regret its business model. As the natural resources of the former Soviet Union were being plundered by a few ruthless and politically well connected individuals, Britain set itself up in the early 1990s as a welcome home, or second home, for a new global elite.

London is both playground and battleground for rich Russians. Occasionally, things go wrong. The murder of Alexander Litvinenko in the capital was one of the more brazen attacks. The discovery on Saturday of [the corpse of Boris Berezovsky](#) at his well-guarded Berkshire mansion has raised more suspicions. Was it the suicide, as was the initial suggestion, of a man who had lost much of his fortune taking on his enemies? Or was it something more sinister?

Once he had consolidated his power, Putin famously summoned the oligarchs, including those who had installed him in the Kremlin. That was then, this is now, they were told. The deal was: they could carry on their business dealings inside and outside Russia as long as a) they did not meddle with politics, and b) they looked after the financial interests of the siloviki – the political/security establishment.

The Cypriot deal

Second time unlucky

The new plan is better than the first. That isn't saying much

Mar 30th 2013 | [From the print edition](#)

174,194



AFTER a week in which a first, ill-planned Cypriot bail-out unravelled amid consternation at the notion of swiping some of the country's guaranteed deposits, a second rescue deal for the island was reached in the early hours of March 25th. The plan, which "bailed in" creditors of Cyprus's two biggest banks but spared insured deposits, was an improvement on its predecessor. But as *The Economist* went to press, the banks were still shut, the economy was braced for disaster and capital controls were in place for the first time in the euro zone's history. A triumph it is not.



Initial market relief that Cyprus had not been forced out of the euro quickly turned sour as Jeroen Dijsselbloem, the Dutch head of the Eurogroup of finance ministers, went off-script. Instead of depicting the Cypriot deal as a one-off, the usual trope, he said that the bail-in of bank creditors, including uninsured depositors if necessary, should become a template. Although he hastily retracted the comments as markets took fright—European bank shares fell sharply—Mr Dijsselbloem had merely revealed in public what northern European creditor nations say in private. They are fed up with funnelling cash to peripheral countries (see chart 1); they would like the idea of recapitalising banks directly through the euro area's rescue fund to remain just that, an idea.

The second deal left the loan amount from the euro area and the IMF at €10 billion (\$13 billion) but changed the terms of what Cyprus must do to tackle its banking crisis. The new deal abandoned the raid on savings envisaged a week earlier, which had made a mockery of the European deposit-guarantee threshold of €100,000 by levying a swingeing one-off tax on accounts with less than this amount, as well as imposing a steeper levy on uninsured deposits. Instead, the Cypriots agreed to wind up Laiki, the island's second-biggest bank. Its bad loans will be dumped into a "bad bank", which will also get €4.2 billion of uninsured deposits that are unlikely to survive the experience; Laiki's bondholders, senior as well as junior, will be wiped out, too.

What remains, including Laiki's insured depositors, will go to Bank of Cyprus, which will itself be restructured and recapitalised by writing down bonds and turning uninsured deposits into equity. Those deposits, estimated at close to €10 billion, will be frozen pending a haircut to be determined by the bank's recapitalisation needs; losses on them will not be as severe as at Laiki but could still reach 40%.

For the Cypriots this was a package served with humble pie. It was broadly in line with a solution first advocated by the IMF and backed by the Germans before the original bail-out deal was done, but rejected back then by Nicos Anastasiades, the country's president. Frantic attempts to get Russia, the source of many of the banks' big deposits, to help proved fruitless. An ultimatum from the European Central Bank that it would cut off its emergency funding to Cyprus's big lenders after March 25th if no agreement had been reached by then left the Cypriots with little leverage. Thanks to laws passed in Nicosia just before the second meeting in Brussels, Mr Anastasiades did not have to put the revised deal to a parliamentary vote.

The official lenders may see the second deal as a good night's work. They had not had to follow through on their barely veiled threat to eject Cyprus from the euro, with all the damage that might do to the credibility of the single currency. They had charted a new course for the euro area in dealing with tottering banks: bail-in by creditors rather than bail-out by taxpayers. And the outcome was more acceptable to suspicious voters in creditor countries, since none of the rescue money will go to the big banks in Cyprus. That should make it easier for the Germans in particular to get the financing passed by the Bundestag.

But the Cypriot fix may yet come back to haunt its makers. The imposition of capital controls, using wide-ranging powers passed by Cypriot MPs on March 22nd, is a particularly worrying development. Although controls are banned under European Union law, there is a get-out clause for up to six months in exceptional circumstances. Mr Anastasiades insisted that the restrictions would be "very temporary", but history suggests they will stay for longer than expected. They remain in place in Iceland, for example, over four years after being introduced. If capital controls do stay in place for some time, Cyprus will be in the monetary union only in name. A Cypriot euro, trussed within the island's borders, will not be the same as a euro in the rest of the zone.



And, whatever Mr Dijsselbloem may protest he really meant, the Cypriot bail-in serves notice on creditors of weak banks throughout the euro area. Wholesale money will be tempted to move out of them as soon as

possible. Although retail deposits are stickier, bank runs are now more likely if a bail-out looms. Cyprus is not the only country stuffed with deposits (see chart 2). European policymakers are underestimating the extent to which events in Cyprus may yet destabilise the rest of the euro area, says Jacques Cailloux of Nomura.

Cypriots have cause to lament that its rescuers have made a desert and called it peace. The tiny economy has suffered a massive blow. Earlier forecasts by the European Commission that its economy would shrink by 5% over the next two years were bad enough; a shrinkage of close to 20% is now plausible. That will render debt-sustainability forecasts null and void. Cyprus's bail-out may have saved the blushes of its rescuers, but they may soon have to deliver another one.