

Democracy: For a European Republic

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Whether political leaders or citizens, the pragmatics have failed to build a prosperous and wholly democratic EU. Now it's the turn of the dreamers. Today, they are the true realists, write political scientist Ulrike Guérot and writer Robert Menasse. Excerpts.

[Ulrike Guérot](#) | [Robert Menasse](#)

The European heads of state and governments are sitting in a burning house haggling over the total sum they will have to rustle up for the water damages from putting out the fire. The reproach that they have lost contact with the citizens doesn't ring true: the fact is, they never had any to start with. The system we live in neither provides for nor admits any legitimate representation for the citizens of Europe.

Whoever makes "democratically legitimate" policy at the European level – that is, who has been elected to do so – has come into that position only through national elections and must, to survive politically, defend the fiction of "national interests". Whoever today at the summits of the European Council always obstructs Community interests to win the approval of the national electorates harms all the others – and, considering how interlocked the nations are within the European single market and the eurozone, harms his own.

And the voters who celebrate that politician will become, not wiser, but stupider from their own mistakes. No European nation state today can solve a problem on its own; and yet the institutional structure of the EU community hinders solutions. What we call the crisis today is this very contradiction, and what we are discussing is only its symptoms.

This is tearing apart the European Union. An abyss yawns between political representatives – those who reckon themselves as pragmatists – the citizenry and a few dreamers. We can thank the pragmatists for the crisis. Because they have only ever tried for the "possible": for example, a transnational currency that cannot possibly work and that can only undermine their idea, because national concerns have obstructed the tools needed to manage that currency.

Dreamers are the true realists

The problems that arise from this contradiction are being renationalised, debt declared national debts, and nations forced to struggle to deal with them at the national level. How do these pragmatists want to solve the crisis? We can thank the citizens for legitimising those who created the crisis. They compel their representatives to mimic the voices coming out in defence of the nation and to turn away from Europe.

And the dreamers? They were and they are the true realists. To them we owe them the realistic and practical enforcement of the reasonable, the outcome that seemed utopian at the time, those consequences that had to be drawn from the experiences with nationalism and European political interests that had left the continent in rubble and ashes. The first President of the European Commission, Walter Hallstein, a German, said: "The abolition of the nation is the European ideal!" – a phrase that neither today's president of the Commission nor the current German Chancellor would dare utter. But that declaration is the truth.

Today, we could have been thanking the dreamers for the solution to the crisis. The dream, the solution: the European Republic, the idea of a European Republic, in which the regions, without giving up their character, continue on in a free association within a joint legal framework, instead of remaining organised in nations. The competition from the nation state is not turning around the crisis – it is creating it.

The Europe we live in is unsustainable in its current political and economic framework, and it will implode because national democracy and the transnational economy are falling apart. We live in a currency zone yet act as if the economies were still national and must by necessity compete with each other.

The new European project

That is why Euroland needs a transnational democracy: a European Republic, with equal political, economic and social rights and rules for all.

The Republic is the new European project: to organise its territory through voluntary membership, agreed through treaties based on the assurance of sustained peace, to overcome the idea of the nation and to build the first supra-national continent in history. The model of the United States is retro. EU – we're the avant-garde.

The European Council, and through it the member states, claim authority over European integration – which will not come about if at the same time the mendacious melodrama of the defence of national sovereignty is being played to the gallery, to the national electorates. The sovereignty of the nation state is the illusion afflicting Europe.

If Europe can evolve into a union of shared liabilities through the banking union and the debt repayment fund, then the joint decision on spending will have to be organised differently. Euroland as the nucleus of a European Republic needs a eurozone parliament with the right to take initiatives and a voting right independent of national lists; a budget cycle coupled to the legislative period and at least partial European fiscal sovereignty; in the future, Eurobonds must resolve the shortcomings of the euro.

By the logic of a European *res publica*, the gains of the Pan-European value chain would also be distributed transnationally and thus an economic balance established between the centre and the periphery. By this logic, a Europe-wide unemployment insurance in this recession would bring within reach the shift to a European welfare system.

The economy, the currency and policy are all interlinked, and only a pan-European body politic, legitimised by a supranational democracy, can begin to win back control over the economy. National export balances are no strategy! When 80 per cent of exports are to the domestic market, they constitute a European accounting fraud.

Res publica at Europe's core

The concept of *res publica* is by far the most valuable political idea to be born in Europe since Plato. It is the European unique selling point that can justify a “we Europeans” sentiment, because *res publica* includes a commitment to the political organisation of the community, from which social justice and the general welfare can be derived as normative goals. This does not exist in the United States, nor in the autocratic oligarchy of Russia, let alone in a pre-democratic China. *Res publica* is the core of Europe

No one knows today how this avant-garde project, namely supranational European democracy, will take form institutionally in the end. To discuss this with all the creativity that this continent is capable of is the task that faces us. Otherwise, the European peace project will wander Europe as a mere ghost of itself.

[Long live the European Republic!](#)

Letter from Berlin

Franco-German Left Mired in Difficulties

By [Charles Hawley](#)

Germany's Social Democrats had hoped that François Hollande's victory last spring would provide them with some momentum. But Friday's visit to Paris by SPD candidate Peer Steinbrück has highlighted the difficulties facing the European left. A renaissance this election year seems unlikely.

One year ago, the mood among Germany's Social Democrats (SPD) was one of elated optimism. In May 2012, Socialist Party candidate François Hollande won the country's presidential elections, opening up the possibility that a right-to-left changing of the guard might be possible in Germany too. Just weeks after his victory, Hollande invited the SPD leadership to Paris to allow them to bask in his popularity.

On Friday, SPD chancellor candidate Peer Steinbrück is once again in Paris. But even as the general election campaign in Germany ahead of the vote this fall has begun to heat up, the mood on the Franco-German left has cooled. With Hollande's public opinion poll scores plummeting, his country's economy in trouble and his government mired in scandal, he looks to have very little sparkle left to lend to his cross-border political ally.

And Steinbrück's campaign too seems to have reached an impasse. A new poll in Germany indicates that, were Germans able to vote directly for candidates (rather than for political parties), only one in four would cast their ballot for Steinbrück, against 60 percent for Chancellor Angela Merkel. Furthermore, only 32 percent approve of the job he is doing, his lowest such score since he entered federal politics in 2005, according to a survey released on Thursday evening by German public broadcaster ARD.

Taken together, the travails facing the two politicians amounts to a fading of hopes, particularly among euro-zone member states struggling under the ongoing euro crisis, that Hollande's election would mark a resurgence of the European left -- and an end to Merkel's austerity-first approach to the common currency's woes.

Hollande as a Risk

Steinbrück tried to put a brave face on the situation on Friday. Hollande, he noted, had only been in office for 11 months and cannot be expected to have taken care of all the problems "that his two conservative predecessors didn't address in the last 10 to 15 years." He also said that a successful Hollande is in Germany's interest so that the Franco-German partnership can once again take up its traditional role as the motor of Europe.

But even the SPD has become concerned about identifying itself too closely with Hollande. As difficult as the French president's relationship with Merkel is -- a product of conflicting approaches to the euro crisis but also the result of Merkel's open support of former President Nicolas Sarkozy in last year's French campaign -- Steinbrück and his party are beginning to see Hollande more as a risk than a potential boon in the run up to the German vote.

For one, Germans are generally supportive of Merkel's handling of the euro crisis thus far, with the Thursday ARD survey indicating that only 33 percent of those polled agree with the statement that "Berlin doesn't care enough about how people in crisis-stricken euro-zone member states are doing." And Hollande himself appears to have had little luck in proving himself as an effective crisis manager. His administration has been unable to

meet deficit reduction targets, many analysts believe that France could become the next euro-crisis hotspot and unemployment in the country has risen close to record levels in recent months.

Additional hurdles for Hollande have developed more recently. This week, former Budget Minister Jerome Cahuzac, who stepped down in mid-March, admitted to holding illegal accounts with foreign banks and tax evasion following months of denying the allegations. And on Thursday, Germany's *Süddeutsche Zeitung* reported that Hollande's campaign manager, Jean-Jacques Augier, holds two shell companies on the Cayman Islands, though Augier has denied violating any laws.

'Naive'

Still, the pair of scandals is the last thing that a reeling Hollande administration needs. Furthermore, Steinbrück himself has not always been overwhelmingly impressed by his French ally. Merkel's finance minister from 2005 to 2009, Steinbrück does not approve of Hollande's introduction of a 75 percent tax on top earners in France. He recently referred to it as a "prohibitive tax" and said he would never introduce such a law in Germany.

Steinbrück also chided Hollande last summer when the newly elected French president suggested that he wanted to reopen European Union negotiations on the "fiscal pact," a Merkel-driven treaty aimed at strengthening EU budget rules. Steinbrück called Hollande's demand "naïve," a comment that deeply annoyed the French president.

Despite the subdued mood between the two leftist camps, however, Hollande made sure to roll out the red carpet for Steinbrück on Friday. The SPD candidate was given top level meetings with both Socialist Party head Harlem Désir and Prime Minister Jean-Marc Ayrault.

Hollande, too, took an hour out of his schedule to meet with Steinbrück. But the pair decided to forego a joint appearance on Friday. Following the tête-à-tête, Steinbrück strode out of the Elysée Palace alone -- and rushed right past the media gathered outside.

With reporting by Veit Medick in Paris

Germans See Hope in Leak for Fighting Tax Evasion

By MELISSA EDDY

BERLIN — Typically, major countries issue ringing denunciations when privacy guarantees are breached and secret information is disclosed, particularly when such disclosures concern those nations' wealthiest individuals. But [the leak this week](#) of information on tens of thousands of offshore accounts, many set up by German banks, was received with glee by German officials.

"I am pleased about these reports," Finance Minister Wolfgang Schäuble said on German radio.

Berlin is hoping the disclosures will provide some leverage in the country's efforts to drum up support for its long-running fight against international financial systems that make it easy for the wealthy to hide their money.

[Germany](#) has lobbied for years within international organizations, including the Group of 20 and the Organization for Economic Cooperation and Development, to clearly define tax havens in an effort to pressure such jurisdictions to fight tax avoidance and comply with money-laundering statutes and other measures aimed at dirty money. But the efforts have been hampered by reluctance among some of its international partners, including some within the European Union, that do not share the German sense of outrage.

"I think that such things as have been made known will increase the pressure internationally, and we will be able to increase the cooperation with those who have been more reticent," Mr. Schäuble said in an interview with Deutschlandfunk radio.

He was among those who made sure that Cyprus, the tax haven that received a bailout last month, would impose levies on its largest depositors in exchange for the European Union's support. "We don't like this business model, and we hope it is not successful," Mr. Schäuble said. "And when it becomes insolvent, as in Cyprus, they can't expect it to keep being financed."

But the information that has trickled out has also tarnished German banks, and clearly the German authorities hoped to use the leak to gain ground in their own struggle to bring tax evaders to justice. Many Germans are listed among the wealthy in the data dump that was obtained by the [International Consortium of Investigative Journalists](#), based in Washington, and shared with select news media outlets around the globe, including two in Germany.

Economic justice has been a hot topic in Germany. The nation's sense of social justice is strong, and the government has gone to great lengths to obtain information about its wealthiest residents who sneak money into Switzerland or Liechtenstein in order to avoid the country's hefty income tax, which can be as high as 45 percent.

German banks, too, may feel the pressure from the release of the information, which states that international financial institutions have "aggressively worked" to help wealthy clients use [offshore banking](#) facilities in places like the British Virgin Islands. Deutsche Bank, Germany's largest lender, vigorously defended the legality of its management services and insisted that clients were advised to properly report all of their taxes.

Mr. Schäuble conceded that the information in the report was not necessarily evidence of wrongdoing. He nevertheless called for the German news outlets with access to the information to make it available to the authorities.

The leaked records reported on Thursday include data mainly from the British Virgin Islands, the Cook Islands and Singapore. Not all of those named necessarily have secret bank accounts. Some only conducted business through companies they control that are registered offshore.

Portugal: Austerity Cuts Struck Down

[Portugal](#)'s Constitutional Court ruled Friday that some of the unpopular pay cuts in this year's state budget were unlawful, denying the government about \$1.8 billion of predicted revenue. The court's decision is a setback to the austerity deal between the government and foreign creditors who lent Portugal \$101.5 billion in a bailout two years ago. The 13 judges said budget measures cutting holiday pay for government workers and pensioners, and others reducing unemployment and sickness benefits, were unconstitutional. They said the measures neglected guarantees of equality because private-sector workers were not subject to the measures. The government had no comment but scheduled a cabinet meeting for Saturday.

<http://www.zerohedge.com/news/2013-04-05/portugal-high-court-says-some-austerity-elements-2013-budget-are-unconstitutional>

Portugal High Court Says Some Austerity Elements In 2013 Budget Are Unconstitutional

Submitted by [Tyler Durden](#) on 04/05/2013 16:15 -0400

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It appears the Portuguese PM's threats last week that he would resign if the constitutional court rules against the various austerity measures in the proposed 2013 budget (subsequently recanted because he may have just sensed which way the winds are blowing), were not enough to pressure the court into voting the way the German rulers of the Eurozone demanded, because moments ago the high court said that some budget elements are unconstitutional. Specifically it said that:

- **Article 29 and**
- **Article 77**

are not constitutional. Of course, trampling the constitution in Europe's insolvent vassal fiefdoms is nothing new. Recall that it's the Central Bank of Cyprus that said deposit confiscation is just that: unconstitutional. Too bad that didn't stop anyone from trampling all over the laws and rules of the land in the name of what? Lots and lots of political capital of course, that nobody, **NOBODY**, should underestimate.

And remember: **No Plan B.**

From [Reuters](#):

Portugal's constitutional court on Friday rejected four out of nine contested austerity measures from this year's budget in a ruling that deals a blow to government finances, but is unlikely to derail the bailed-out country's adjustment effort.

The measures rejected by the court should deprive the state of some 900 million euros (\$1.17 billion) in revenues and savings, according to preliminary estimates based on budget calculations.

The whole package of new austerity measures introduced by the 2013 budget is worth about 5 billion euros.

The 13 constitutional court judges scrutinized articles of the 2013 budget, which imposed the largest tax increase in living memory and imposed pay cuts for civil servants and pensioners, rejecting some of them.

The government has called an extraordinary cabinet meeting on Saturday

Data Leak Shakes Notion of Secret Offshore Havens and, Possibly, Nerves

By [ANDREW HIGGINS](#)

BRUSSELS — They are a large and diverse group that includes a Spanish heiress; the daughter of the former Philippine dictator Ferdinand Marcos; and [Denise Rich](#), the former wife of the disgraced trader Marc Rich, who was pardoned by President Bill Clinton. But, according to a trove of secret financial information released Thursday, all have money and share a desire to hide it.

And, it seems safe to say, they — and thousands of others in Europe and far beyond, in places like Mongolia — are suddenly very anxious after the leak of 2.5 million files detailing the [offshore bank](#) accounts and shell companies of wealthy individuals and tax-averse companies.

“There will be people all over the world today who are now scared witless,” said Richard Murphy, research director for [Tax Justice Network](#), a British-based organization that has long campaigned to end the secrecy that surrounds assets held in offshore havens. The leaked files include the names of 4,000 Americans, celebrities as well as more mundane doctors and dentists.

It is not the first time leaks have dented a thick carapace of confidentiality that usually protects the identities of those who stash money in the British Virgin Islands, the Cayman Islands, Liechtenstein and other havens. Nor, in most cases, is keeping money in such places illegal.

But the enormous size of the data dump obtained by the [International Consortium of Investigative Journalists](#), a Washington-based group that, along with affiliated news media organizations, announced its coup on Thursday, has punched a big hole in the secrecy that surrounds what the Tax Justice Network estimates are assets worth at least \$21 trillion held in offshore havens. “This could be a game-changer,” said Mr. Murphy, the author of a book about offshore tax shelters. “Secrecy is the key product these places sell. Whether you are a criminal laundering money or just someone trying to evade or avoid taxes, secrecy is the one thing you want.” Once this is gone, he added, “it creates an enormous fear factor” and has a “massive deterrent effect.”

And lifting the curtain on the identities of those who keep their money offshore is likely to cause particular anger in austerity-blighted Europe, where governments have been telling people to tighten their belts but have mostly turned a blind eye to wealthier citizens who skirt taxes with help from so-called offshore financial centers.

The leaked records, mainly from the British Virgin Islands, the Cook Islands and Singapore, disclose proprietary information about more than 120,000 offshore companies and trusts and nearly 130,000 individuals and agents, including the wealthiest people in more than 170 countries. Not all of those named necessarily have secret bank accounts, and in some cases only conducted business through companies they control that are registered offshore.

The embarrassment caused by Thursday’s revelations has been particularly acute in France, where the Socialist president, François Hollande, who wants to impose a 75 percent tax on millionaires, has been struggling to contain a political firestorm touched off this week by a former budget minister’s [admission](#) — after months of denials — that he had secret foreign bank accounts.

The scandal looked set to widen on Thursday as senior members of the government were forced to confront allegations that Mr. Hollande and others may have been aware that the budget minister, Jérôme Cahuzac, who resigned on March 19, was lying but failed to act.

Adding to the president’s trouble, the name of a close friend and treasurer of his 2012 election campaign, Jean-Jacques Augier, appeared in connection with the files released Thursday by the International Consortium of

Investigative Journalists. Mr. Augier, according to the newspaper *Le Monde*, was identified as an investor in offshore businesses in the Cayman Islands, another well-known tax haven.

Mr. Augier, a friend of Mr. Hollande's, denied to *Le Monde* and *Agence France-Presse* that he had done anything illegal or improper. He said he had invested in funds that invested in China, and that he had no personal bank account in the Cayman Islands or any direct personal investment there. He conceded only that "maybe I lacked a bit of caution."

Others identified included Maria Imelda Marcos Manotoc, a provincial governor and eldest daughter of the former Philippine president; Olga Shuvalova, the wife of Russia's deputy prime minister, [Igor Shuvalov](#); [Gunter Sachs](#), a German playboy and photographer who committed suicide in May 2011 at age 78; and [Baroness Carmen Thyssen-Bornemisza](#), Spain's wealthiest art collector and the widow of a Thyssen steel company billionaire. The president of Azerbaijan, Ilham Aliyev, and his wife, Mehriban, were featured in the documents as having set up an offshore company in the British Virgin Islands, while their two daughters appeared in connection with three other offshore outfits.

The consortium did not specify how it got the information or where it came from. On its Web site, the group said "the leaked files provide facts and figures — cash transfers, incorporation dates, links between companies and individuals — that illustrate how offshore financial secrecy has spread aggressively around the globe, allowing the wealthy and the well connected to dodge taxes and fueling corruption and economic woes in rich and poor nations alike."

In Germany, now gearing up for national elections in September and a country with both a strong sense of social justice and a long history of tax evaders sneaking money into nearby Switzerland, politicians expressed concern, even outrage, over the disclosures. Of particular concern were indications that big banks in Germany and elsewhere are deeply involved in moving money beyond the reach of tax authorities.

"We should introduce tougher penalties for those financial institutions that are ideal for tax fraud or take part in it," Peer Steinbrück, the Social Democratic Party's candidate for chancellor, was quoted as saying in the daily newspaper *Süddeutsche Zeitung*.

The issue of tax avoidance has become a highly charged issue across much of Europe, particularly in richer northern countries that are increasingly fed up with demands for bailout money from heavily indebted countries like Greece. A key demand of a recent bailout deal announced for Cyprus was that the nation drastically shrink its role as a financial center and, many in Germany suspect, a haven for money laundering.

Robert Palmer, a policy adviser for [Global Witness](#), a London research group that focuses on corruption, said the naming of offshore account holders could have powerful political reverberations across Europe because "it shows that if you are wealthy and well connected you play by different rules."

He said the information released so far did not shed any new light on how offshore finance works but was still significant because it identified people who used hidden shelters.

"This is very unusual because it is so difficult to get any information out of these places," he said. "It adds to the picture of how easy it is to move money around and will build up the anger of people who are being asked to make cuts but see that there are people out there who benefit hugely from the system."

The disclosure of offshore financial information is also a potential embarrassment for Prime Minister David Cameron of Britain, in that much of the data released so far related to the British Virgin Islands, a British-ruled territory in the Caribbean.

Mr. Cameron had earlier spoken about the importance of tax and financial transparency and pledged to make it a priority issue at a meeting of the leaders of the Group of 8 advanced industrial nations in Northern Ireland in June.

The British Caribbean territory, however, is notoriously secretive and, Mr. Palmer said, one of the most egregious offenders in enabling wealthy people to hide their money to avoid taxes.

In a statement issued Thursday, Global Witness called on Mr. Cameron and fellow Group of 8 leaders to “crack down on anonymous company ownership.”

Steven Erlanger contributed reporting from Paris, and Chris Cottrell from Berlin.

Das sind die nächsten vier Opfer der Euro-Krise

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Wer schlittert als Nächstes in die Krise? Thomas Mayer, Ex-Chefökonom der Deutschen Bank, hat nachgerechnet – und Länder ausgemacht, die schon bald bei der Gemeinschaft um Hilfe betteln könnten. Von Thomas Mayer

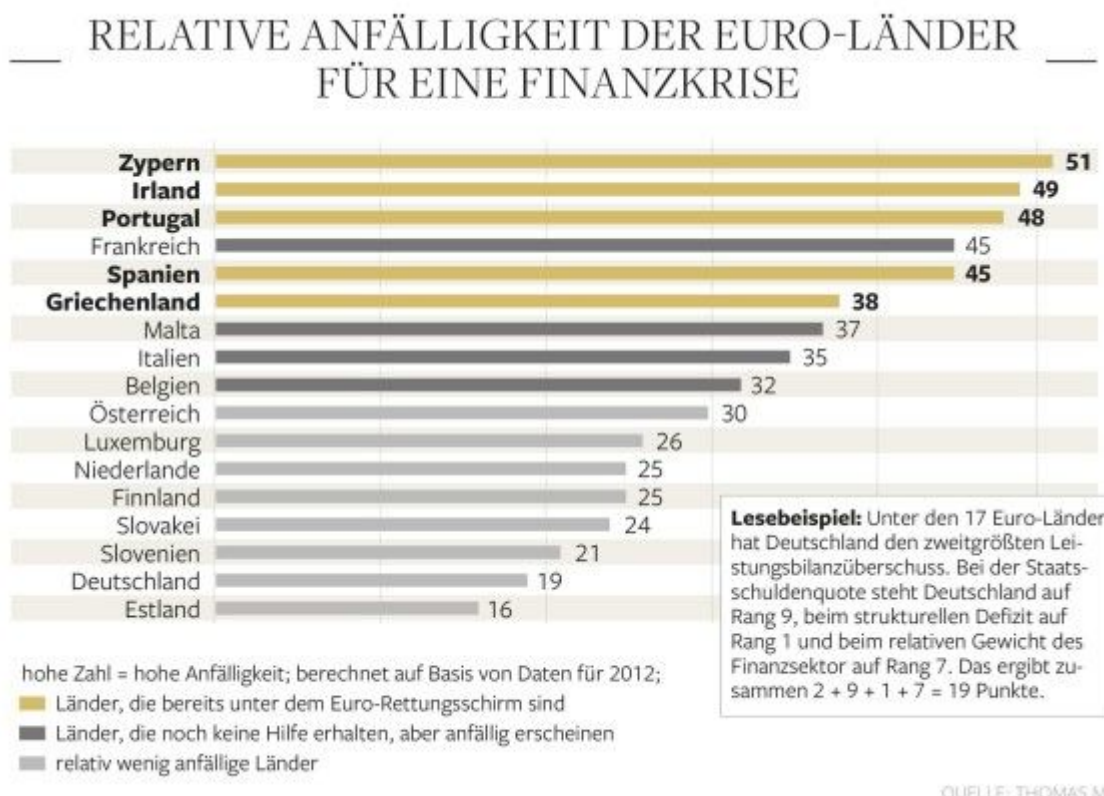


Foto: INFOGRAFIK WELT AM SONNTAG Deutschland steht vergleichsweise gut da. Kopfschmerzen bereiten die dunkelgrauen Länder [Bild teilen](#)

Die Erfahrungen der vergangenen drei Jahre haben gezeigt, dass die Anfälligkeit der Mitgliedsländer der Europäischen Währungsunion (EWU) für eine Finanzkrise vor allem von drei Faktoren bestimmt wird: erstens der Abhängigkeit von ausländischem Kapital zur Finanzierung heimischer privater Investitionen und Staatsdefizite, zweitens dem Budgetdefizit und der Verschuldung des Staates und drittens der Größe des Finanzsektors.

Man kann daher als erste Annäherung an eine Schätzung der Krisenanfälligkeit jedem Land einen Rang innerhalb der Gruppe der EWU-Länder bezüglich seiner außenwirtschaftlichen Leistungsbilanz, seines strukturellen Budgetsaldos, seiner Staatsschuldenquote und der Größe seines Finanzsektors zuweisen. Summiert man die Ränge auf, ergibt sich die Rangliste auf dieser Seite.

Was steht hinter diesen Zahlen?

Schaut man sich die Rangliste der Krisenanfälligkeit an, so fällt als Erstes auf, dass alle Länder unter dem Euro-Rettungsschirm (Griechenland, Portugal, Irland, Zypern und Spanien) in der oberen Hälfte stehen. Trotz erheblicher Fortschritte in der Anpassung fallen sie gegenüber den anderen EWU-Ländern in Bezug auf die für eine Krise kritischen Faktoren im Jahr 2012, auf das sich die Indikatoren beziehen, immer noch deutlich zurück.



Foto: Wiley-VCH Europas unvollendete Währung: Wie geht es weiter mit dem Euro? Thomas Mayer

Wenig überraschend ist auch, dass Italien dieser Hälfte zugehört, steht es doch auch unter erheblichem Druck der Märkte. Schon etwas bemerkenswerter sind Belgien und Malta als Mitglieder dieser Gruppe. Belgien steht hier wegen seiner hohen Staatsschuldenquote und seines anhaltenden strukturellen Budgetdefizits.

Malta leidet ebenfalls unter einem anhaltenden strukturellen Budgetdefizit und an einem sehr großen Finanzsektor (der mit dem Achtfachen des maltesischen BIP noch größer relativ zur gesamtwirtschaftlichen Leistung ist als der Zyperns).

Schockierend in dieser Tabelle ist jedoch die Position Frankreichs ganz oben in der Liste der Krisenanfälligkeit. Tatsächlich schneidet Frankreich bei allen betrachteten Indikatoren mit einem Rang im oberen Bereich recht schlecht ab.

Hier zeigt sich, dass das Land im Gegensatz zu den meisten anderen EWU-Ländern noch kaum wirtschaftliche und finanzielle Reformen in Angriff genommen hat. Andererseits gibt es in unserer Auswertung auch positive Überraschungen. Slowenien, das als weiteres mögliches Krisenland ins Gerede gekommen ist, kommt wegen seines Leistungsbilanzüberschusses, seiner geringen Staatsschuld und seines relativ kleinen Finanzsektors (weniger als 150 Prozent des BIP) auf einen recht guten Platz.

Auch die Niederlande, die mit strukturellen Budgetdefiziten kämpfen, schneiden relativ gut ab, da sie eine unterdurchschnittliche Staatsverschuldung, eine durchschnittliche Größe des Finanzsektors und einen sehr hohen Leistungsbilanzüberschuss aufweisen können.

Kommt die Krise tatsächlich?

Die hier betrachteten Faktoren spiegeln nicht in allen Fällen die Einschätzungen der Marktteilnehmer wider. Klare Widersprüche ergeben sich für Slowenien und Frankreich. Das kleine Slowenien könnte wegen seiner relativ geringen Staatsverschuldung die überschaubaren Probleme im Bankensektor durchaus selbst schultern, wird aber aufgrund der Vorgänge in Irland, Spanien und Zypern von den Märkten unter Generalverdacht gestellt. Andererseits profitiert Frankreich in hohem Maße von seiner politischen Nähe zu Deutschland. Allein auf der Basis der Fundamentaldaten betrachtet, könnten französische Finanzwerte mit höheren Risikoaufschlägen als italienische bewertet werden.

Wegen seines großen politischen Einflusses auf die deutsche und europäische Politik stört sich der Markt jedoch wenig daran. Für Frankreich selbst ist dies allerdings fatal, fehlt doch der unverzichtbare Druck der Märkte für Reformen.

Was sollten die Länder tun?

Die Länder in der oberen Hälfte der Tabelle müssen sich bemühen, ihre Krisenfaktoren zu verringern. Für Italien und Belgien bedeutet dies in erster Linie, die Voraussetzungen dafür zu schaffen, dass die Staatsverschuldung sinkt.

Dazu sind nachhaltige und erhebliche strukturelle Budgetüberschüsse notwendig. Malta sollte ebenfalls seine strukturellen Budgetdefizite eliminieren und seinen überdimensionierten Bankensektor verkleinern. Frankreich hat leider erheblichen Nachholbedarf in beinahe allen Bereichen außer bei der Größe seines Bankensektors, der nur leicht über dem Durchschnitt im Euro-Raum liegt.

Für die Länder unter dem Rettungsschirm gilt, dass sie noch eine gute Wegstrecke vor sich haben, bevor sie wieder das Vertrauen der Märkte genießen können.

Thomas Mayer, von 2010 bis 2012 Chefökonom der Deutschen Bank, arbeitet für das größte deutsche Kreditinstitut als Berater. Am Mittwoch erscheint bei Wiley-VCH sein Buch "Europas unvollendete Währung: Wie geht es weiter mit dem Euro?" (240 Seiten, 19,90 Euro).

Währungsfonds lobt Japans lockere Geldpolitik

07.04.2013 · Gegenkurs zur Bundesregierung: IWF-Chefin Christine Lagarde begrüßt Japans aggressivere Geldpolitik als Beitrag, um die Weltwirtschaft anzukurbeln. Deutschland hatte zuvor scharfe Kritik an Tokio geübt.



© AP IWF-Chefin Christine Lagarde

Die Chefin des Internationalen Währungsfonds, Christine Lagarde, hat die [von Deutschland](#) und Direktoren der Europäischen Zentralbank kritisierte lockere Geldpolitik Japans als willkommenen Schritt zur Ankurbelung der Weltwirtschaft gewürdigt. „Maßnahmen der Geldpolitik - einschließlich unkonventioneller Maßnahmen - haben geholfen, die fortgeschrittenen Volkswirtschaften zu stützen und damit auch das globale Wachstum“, sagte Lagarde in Peking. Die jetzt von der japanischen Zentralbank angekündigten Maßnahmen seien ein weiterer Schritt in diese Richtung.

Die japanische Notenbank hatte angekündigt, dass sie bis Ende des Jahres 2014 die Geldbasis verdoppeln will, die sich aus Bargeld sowie den Einlagen der Banken bei der Notenbank zusammensetzt. Dazu will sie Staatsanleihen, aber dem Vernehmen nach auch börsennotierte Indexfonds kaufen. Sie erhofft sich davon, die seit Jahren in einer Deflation dümpelnde japanische Wirtschaft anzukurbeln.

Bundesregierung mahnt: Geldpolitik nicht zur Exportförderung missbrauchen

Die deutsche Bundesregierung mahnte nach den Beschlüssen in Tokio, dass sich Japan daran halten müsse, was die zwanzig wichtigsten Industrie- und Schwellenländer auch während ihres letzten Treffens in Moskau verabredet hätte: Danach solle die Geldpolitik nicht eingesetzt werden, um sich „irgendwelche wirtschaftspolitischen oder exporttechnischen Vorteile“ zu verschaffen.

Auch [der Präsident der deutschen Bundesbank, Jens Weidmann](#), kritisierte die expansive japanische Geldpolitik. Man sei sich einig gewesen, zur Lösung der Probleme nicht mit einem Abwertungswettlauf zu beginnen, der nur Verlierer kenne, sagte Weidmann im Deutschlandfunk. Die Probleme des Landes lägen nicht in einer mangelnden Versorgung mit Liquidität. **Schuld an der Deflation seien vielmehr die demografische Entwicklung und die hohe Staatsverschuldung.** „Und da muss meines Erachtens eine sinnvolle Politik ansetzen.“

<http://www.lefigaro.fr/politique/2013/04/07/01002-20130407ARTFIG00141-le-fosse-se-creuse-entre-les-francais-et-les-politiques.php>

Le fossé se creuse entre les Français et les politiques

Par [Albert Zennou](#) Publié le 07/04/2013 à 18:23

76,14

SONDAGE - Conséquence de l'affaire Cahuzac, **pour 77% des Français, les élus sont corrompus. 33% réclament une dissolution de l'Assemblée nationale.**

Le choc est réel. Le fossé ne cesse de se creuser entre les Français et leurs élus. [L'affaire Cahuzac](#)¹ a aujourd'hui sa transcription dramatique dans l'opinion publique. Le sondage OpinionWay pour LCI et *Le Figaro* donne une indication précise des conséquences de l'affaire. Le dégoût et la défiance à l'égard des politiques gagnent du terrain. Pire, pour une écrasante majorité (77%), le personnel politique est corrompu.

Rarement, les Français auront été aussi remontés contre les élus de tous bords. Ils éprouvent à leur rencontre avant tout du dégoût (36%) et de la méfiance (32%). Et ils ne sont plus que 1% à ressentir du respect pour leurs représentants... En trois ans, le sentiment de dégoût a, lui, progressé de 13 points, passant de 23 à 36%. Dans le même temps, la méfiance est, elle, tombée de 39 à 32%. En conséquence, l'intérêt pour la politique s'en ressent, passant de 18% en octobre 2011 à 9% ce mois-ci. **«C'est la première fois que le dégoût est le sentiment qui arrive en tête chez les Français quand ils pensent à la politique, assure Bruno Jeanbart, directeur général adjoint d'OpinionWay. On y voit clairement l'effet Cahuzac depuis décembre. En trois mois, le dégoût gagne 10 points. Les Français ont franchi une nouvelle étape. Le risque est désormais de passer de la défiance teintée de désintérêt à la défiance marquant une opposition tranchée contre la majorité.»**

On comprend dès lors que le principal bénéficiaire pourrait être le [Front national](#)². Ce sont chez ses électeurs que se recrutent les plus gros bastions de Français écœurés (60%) contre seulement 21% chez les proches de [Mélenchon](#)³.

Pour les Français, pas de doute, élus et dirigeants sont peu recommandables. Selon eux, l'honnêteté n'est pas la vertu la plus partagée chez les politiques. Près de huit Français sur dix (77 %) le pensent. **Ils ne sont que 22% à les trouver honnêtes...** «C'est la confirmation d'une image désastreuse. Sans doute, cette proportion va diminuer quand l'affaire sera close. Mais il restera des traces», prédit Bruno Jeanbart.

Les Français attendent une réaction forte

Les Français réclament une réaction forte de la part du chef de l'État. La primauté est donnée à une dissolution de l'Assemblée nationale dans le but de provoquer des élections législatives anticipées. 33% penchent pour cette solution, soit 5 points d'avance sur l'option du remaniement avec un changement de premier ministre (28%), tandis que 10% envisagent un remaniement mais avec un maintien de [Jean-Marc Ayrault](#)⁴. Réunis, ce sont pas moins de 71% des Français qui réclament une réaction politique forte.

Si les électeurs de droite sont les plus nombreux à réclamer un changement et principalement une dissolution, les électeurs de gauche sont eux plus prompts à exiger un remaniement avec changement de premier ministre. 60% des électeurs de Nicolas Sarkozy en 2012 et 61% des ceux de Marine Le Pen plaident en faveur d'élections législatives anticipées, contre seulement 7% des électeurs de Hollande. Mais même la gauche exige une réaction. Les Français ayant voté Mélenchon à la présidentielle (40%) et Hollande (32%) donnent la priorité au remaniement. «Ce résultat montre que ce n'est pas seulement l'affaire Cahuzac qui a une incidence sur l'opinion des Français, estime Bruno Jeanbart. **C'est l'accumulation de mauvaises nouvelles économiques et sociales qui, ajoutée aux soubresauts de l'affaire, crée un véritable malaise.»**

The Economist explains

What is a bail-in?

Apr 7th 2013, 23:50 by E.H. / P.C.

76,15



ON MARCH 25th, after a week of negotiations, a [second rescue deal](#) for Cyprus was agreed upon. One aspect of the €10 billion (\$13 billion) bail-out deal is that it "bails in" the creditors of two of Cyprus's biggest banks, the Bank of Cyprus and Laiki Bank, while sparing insured depositors. What is a bail-in?

A bail-out is when outside investors rescue a borrower by injecting money to help service a debt. Bail-outs of failing banks in Greece, Portugal and Iceland were primarily financed by taxpayers.

By contrast, a bail-in, a term [first popularised](#) in the pages of *The Economist*, forces the borrower's creditors to bear some of the burden by having part of the debt they are owed written off. (In the case of Cyprus, the creditors in question were bondholders, and depositors with more than €100,000 in their accounts.) At the height of the financial crisis, governments avoided resorting to bail-ins out of concern that it might cause panic among the creditors of other banks; even the bondholders of Irish banks were initially spared. But as time has passed, and the cost of government bail-outs has risen, the appeal of asking private-sector investors to take a hit has increased. Ironically, it was one such bail-in—the restructuring of Greek government debt—that led to the problems faced by the Cypriot banks, which were big holders of Greek bonds.

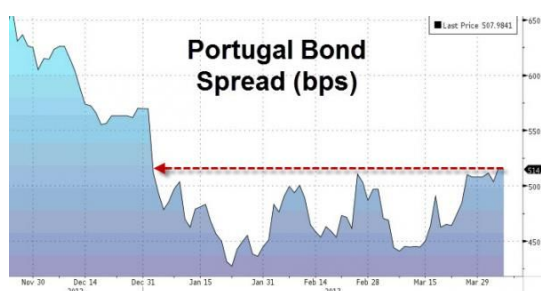
The seeming success of the Cyprus deal led [Jeroen Dijsselbloem](#), the Dutch head of the Eurogroup of finance ministers, to suggest that it might serve as a template for future rescues (though, after hours of falling share prices, he retracted, stating that "Cyprus is a specific case with exceptional challenges"). Anxieties remain. Many people in Cyprus feel they are being punished unduly. The [capital controls](#) that have been imposed are meant to be temporary, but similar ones are still in place in Iceland, four years after they were implemented. Foreign money will now go elsewhere while unemployment could exceed 25% in 2014. And the deal seems to move Europe away from the [institutional reforms that are needed to resolve the crisis](#) once and for all. But [one thing](#) is clear: bail-outs will now be accompanied by bail-ins. All-encompassing rescues are becoming a thing of the past.

European Commission 'Threatens' Portugal - Get Your Constitutional Court In Line

Submitted by [Tyler Durden](#) on 04/07/2013 19:48 -0400

76,16

It seems, despite the constant "it's all fixed" banter, that Portugal's Constitutional Court decision that the Troika-imposed austerity is unconstitutional (as we discussed in detail [here](#) and [here](#)) has a few of the 'elites' nervous. And so, late on a Sunday night European time, they launch a press release that is about as passively aggressive as they come, **"any departure from the program's objectives, or their re-negotiation, would in fact neutralize the efforts already made and achieved by the Portuguese citizens, namely the growing investor confidence in Portugal, and prolong the difficulties from the adjustment... it is a precondition for a decision on the lengthening of the maturities of the financial assistance to Portugal."** In other words, get your constitutional court in line or the OMT 'promise' get's it! Perhaps that explains why, unlike Spain and Italy who rallied in the last few days, **Portugal's bond spreads are at the widest of 2013** (70bps off the tights of the year).



Statement by the European Commission on Portugal

The European Commission welcomes that, following the decision of the Portuguese Constitutional Court on the 2013 state budget, the Portuguese Government has confirmed its commitment to the adjustment programme, including its fiscal targets and timeline. **Any departure from the programme's objectives, or their re-negotiation, would in fact neutralise the efforts already made** and achieved by the Portuguese citizens, namely the growing investor confidence in Portugal, and prolong the difficulties from the adjustment.

The Commission therefore trusts that the Portuguese Government will swiftly identify the measures necessary to adapt the 2013 budget in a way that respects the revised fiscal target as requested by the Portuguese Government and supported by the Troika in the 7th review of the programme.

Continued and determined implementation of the programme offers the best way to restore sustainable economic growth and to improve employment opportunities in Portugal. At the same time, **it is a precondition for a decision on the lengthening of the maturities of the financial assistance to Portugal, which would facilitate Portugal's return to the financial markets and the attainment of the programme's objectives.** The Commission supports that such a decision be taken soon.

The Commission will continue to work constructively with the Portuguese authorities within the parameters agreed to alleviate the social consequences of the crisis.

The Commission reiterates that a strong consensus around the programme will contribute to its successful implementation. In this respect, **it is essential that Portugal's key political institutions are united in their support.**

Guest Post: Your Kids Don't Belong To You

Submitted by [Tyler Durden](#) on 04/07/2013 17:15 -0400

76,17

Submitted by Michael Krieger of [Liberty Blizkrieg blog](#),

This is such an incredibly creepy video it's actually hard for me to believe it's real. **Professor of political science at Tulane University and MSNBC host, Melissa Harris-Perry** states the following:

We have to break through our kind of private idea that kids belong to their parents or kids belong to their families and recognize that kids belong to whole communities. Once it's everyone's responsibility, and not just the household's, then we start making better investments.

This clip is very important because it really demonstrates the mentality of a statist. They want to run your lives in every way you can possibly imagine, including the upbringing of your children. Outrageous.

VIDEO

Average:

4.842105

Kyle Bass: "Japanese Retirees Will Lose Up To Half Of Their Life Savings"

Submitted by [Tyler Durden](#) on 04/07/2013 16:14 -0400

76,18

While Kyle Bass notably remarks that pinpointing the end of a 70-year debt super-cycle is naive, the combination of the resurgence of nationalism ([impacting trade with China](#)) and the dreadful impact of the earthquake/tsunami (drastically changing Japan's supply chain) has secularly shifted Japan's trade balance for the worst at a time when the current account is already negative. **"They are all in denial,"** Bass notes as the government has failed to deal with its problems over the last 20 years.

Simply put, **Japan needs a Schumpeterian 'creative destruction'** moment instead of the constant rolling of debts and expanding of government balance sheets to paper over the cracks. The 'moment' feels like it is now, he notes, expanding that **"JPY could hit 200,"** as they lose control; following two decades of volatility-smoothing, the chance of a disorderly collapse are high.

Critically, he fears, **"the social fabric of Japan will tear,"** as with one-third of the nations at retirement age, the fallout from the policies of Abe-Kuroda could cause them to "lose 30-50% of their life savings." What is perhaps even more concerning, he adds, *"you are starting to see the central banks not trust each other."*

At a certain point in time, **"nationalist interest takes over the global [G7] kumbaya,"** and that is occurring now.

"When your debts are 24-times your government tax revenue, you have a secular decline in population, and all of the things are finally catching up to you, what happens when you have a debt crisis?"

Central Banks believe "Devaluation is 'supposedly' the way to freedom"

VIDEO:

3:00 - Japan's tearing social fabric

4:30 - G7 Kumbaya unwind

6:00 - "There is no way out" for Japan - it's a matter of when not if. And **"if there is no way out for them, there is no way out for the rest of us - unless we change the way we operate."**

6:30 - "If there is no consequence to the US profligacy [rates not moving against them] well then they will keep spending." - "Central banks are enabling the spending"

7:15 - "The Modus Operandi of the west is running deficits; and what that has meant in the past is runaway cost-push inflation - and I think that is what we are going to see"

8:00 - "Investors are too complacent" - this is the single-most riskiest time to be complacent in our generation - **"investing with the typical endowment model... is not going to work"**

9:00 - **"The insidious nature of a runaway inflation is that it bankrupts the middle class... the poor stay poor, the middle class (with savings in the banks) get wiped out, the wealthy (with productive assets) do the best"**

9:40 - ... which leads to social unrest globally - and that is a problem...

Portugal Seeks New Cuts to Stay on Course

Updated April 7, 2013, 9:35 p.m. ET

76,19

By [PATRICIA KOWSMANN](#)



Zuma Press

Retirees in March protested in Lisbon against pension cuts and other austerity measures aimed at achieving Portugal's budget goals. On Friday, the nation's Constitutional Court threw out some of the planned steps.

LISBON—Prime Minister Pedro Passos Coelho said he would look for fresh spending cuts to keep Portugal's €78 billion (\$101 billion) international bailout program on track following a Constitutional Court decision that threw his government into crisis by striking down some of its planned austerity measures.

"We can't deny that the court's decision will have very serious consequences to the country," he told a national television audience on Sunday. But he said his government "is committed to all the targets under the program and reaffirms it will fulfill its obligations."

The European Commission, which along with the International Monetary Fund and the European Central Bank oversee the bailout, welcomed Mr. Passos Coelho's comments, but added that the full implementation of austerity measures will be a precondition for Portugal to get better bailout terms, including a much-needed extension of loan maturities.

The court ruled on Friday that planned cuts in wages and pensions for public employees were discriminatory because they didn't apply to all income-earners, and also overturned a planned tax on unemployment and sickness benefits. As a result, the government must find new ways to raise as much as €1.3 billion of this year's budget.

Portugal's fiscal woes are the latest challenge to the euro zone's struggling peripheral economies, following Italy's post-election instability and Cyprus's controversial bank bail-in.

Portuguese opposition parties seized on the court ruling and called on the prime minister to resign.

But President Aníbal Cavaco Silva, who had questioned the fairness of the wage cuts, came to the government's defense. "The president reiterates that the government has conditions to fulfill its mandate," Mr. Silva said.

Although his role is largely ceremonial, only he has the power to dissolve Parliament and call for early elections.

In his televised statement, Mr. Passos Coelho said the government would try to revise its budget plan through new spending cuts rather than new tax increases. A person close to the government said it had mulled the idea of paying public employees and pensioners one month of their income in Treasury bills, forcing them, in effect, to lend the Treasury the money the court said it couldn't cut from their paychecks. A government spokeswoman denied that the idea was being considered.

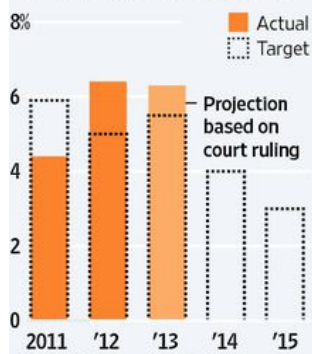
If no new measures are taken, this year's budget deficit could close at 6.3% of gross domestic product instead of the 5.5% agreed with international lenders. If targets aren't met, lenders could withhold bailout money.

Mr. Passos Coelho said the lenders won't release the next €2 billion installment of Portugal's bailout loan until the government comes up with a new budget plan.

Deficit Setback

A court ruling to strike down some of Portugal's austerity measures makes it harder for the government to meet this year's deficit target.

Deficit as a percentage of GDP



Source: Portuguese Finance Ministry
The Wall Street Journal

Resolving the budget issue quickly would be important for Finance Minister Vítor Gaspar, who this week will try to get his EU peers to extend some maturities of the bailout loan.

If the EU agrees, it would ease Portugal's refinancing needs over the coming years, making it less reliant on debt markets.

Portugal, one of the euro zone's poorest countries, has sunk deeper into recession since it began applying spending cuts and tax increases two years ago. Since then, the economy has contracted nearly 5% and the unemployment rate has risen to 17%.

But the austerity measures had appeared to put the country on a path toward regaining investor confidence and leaving the bailout program as scheduled in May 2014. The government sold five-year bonds this year for the first time since being rescued, and was close to issuing 10-year bonds. Now that plan has been delayed.

Even before the court's ruling, there were signs that Portugal's bailout was running off track.

Despite strictly following the program, the country missed its deficit target for 2012 amid a worse-than-expected reaction of the economy to the austerity, forcing the bailout lenders to relax goals last month.

Softening targets again could be tricky, especially because Portugal could risk blowing its public debt, now close to 124% of GDP, to an unsustainable level.

Even if Mr. Passos Coelho gets over the latest setback, his government is looking increasingly fragile. Last week, he survived a parliamentary vote on a no-confidence motion by the main opposition Socialist Party, which once supported the government's austerity measures.

"Portugal is living a social tragedy that must change, and that means the government must be replaced," Socialist leader António José Seguro said Sunday.

Why Making Europe German Won't Fix the Crisis

By Ivan Krastev & Georgi Ganev Apr 8, 2013 12:30 AM GMT+0200

76,21

Most people see [Europe's economic crisis](#) as a cautionary tale of good and bad policy making, in which fiscally prudent countries, such as Germany, remain stable, while reckless ones, such as Greece, unravel.

So ingrained is this idea that it's now common to hear analysts say Europe must become "German" to exit from the crisis, adopting Teutonic approaches to policy -- from fiscal [tightening](#) to labor- and product-market reforms. If only societies on Europe's periphery can learn to do what the [Germans do](#), the argument goes, the European Union and its single currency will have a stable future.

This is wrong and we already have evidence to show it. The question isn't whether Germany's policies are correct. It is whether they will produce the same outcomes in different economic and political environments. To see that they don't, you need to ignore Greece and look at its neighbor, [Bulgaria](#).

Like Germany, [Bulgaria](#) went through several years of prudent budgets and economic reforms aimed at improving competitiveness before the financial crisis began in 2008. Both countries initially responded to the shock with sudden increases to their budget deficits, but also quickly reined these back in. Bulgaria's deficit was 0.7 percent of gross domestic product in February, [according](#) to the [Finance Ministry](#). Government debt was 16 percent of GDP. So pretty German already.

Identical Policies

In both countries, per-capita economic growth has been positive through the crisis (except for a dismal year in 2009), with average annual German per-capita GDP growing at 2.1 percent in 2010-2012, only slightly faster than Bulgaria's 1.7 percent. The two countries' monetary policies have also been virtually identical. Although Bulgaria isn't a euro member, its currency (the lev) is pegged to the euro and its central bank is banned from lending to commercial banks. As a result, monetary policy is, in reality, set by the [European Central Bank](#) in [Frankfurt](#).

Lest anyone think this Bulgaria-Germany connection is fanciful, [Chancellor Angela Merkel](#) has made it on several occasions, praising Bulgaria as a model for other European economies to follow.

Despite all this, Bulgaria's Germanic calm was shattered in February, when street protests over rising electricity prices triggered the collapse of the government. Why? Because ordinary Bulgarians can't afford German policies, any more than they can afford a German BMW or a Mercedes.

Germany is one of the richest members of the EU and by far its most influential. Bulgaria is the poorest country in the EU, as well as being one of its newest and least influential members. Bulgarians are more than 2 1/2 times poorer than Germans and have a much [lower](#) rate of employment.

This isn't about liking or disliking the EU. Both populations score highly in terms of trust in the bloc, though for different reasons: Germans because they trust their own government and its ability to influence the EU, and Bulgarians because they don't. According to the EU's [Eurobarometer](#) survey, 70 percent of Germans believe their voice counts in what their national institutions do, compared with 37 percent of Bulgarians.

Wealth and institutions can explain why the same fiscally prudent policies played out so differently in these two countries. To wealthy Germans, fiscal conservatism in their institutionally functional country promises that tomorrow won't be too different from today -- their lifestyle will be protected. In poor, [dysfunctional](#) Bulgaria, the same policies make people angry that tomorrow will be too much like today. They are angry because their poor lifestyle won't change.

Lost Hope

This may help to explain why the trigger for the government's collapse in Bulgaria was [rising](#) electricity prices, which make up a far larger portion of people's incomes than in Germany and were eroding already poor standards of living. Lost hope for a better future is probably the most important feature of Bulgaria's political crisis.

For decades, the formula that drove the EU's integration has been one of divergent policies producing convergent economic performances. The EU is the most impressive economic catch-up machine the world has known. So why is it that the shift toward policy convergence today is threatening to destroy this machine?

In the last 15 years, both Germany and Bulgaria underwent important economic reforms, but the political context for these could not have been more different. Former German Chancellor [Gerhard Schroeder](#)'s Agenda 2000 reforms were marked by consensus and institutional stability. The two largest political parties (Schroeder's Social Democrats and the [Christian Democratic Union](#)) supported the reforms. Initiated by the nation's political elite, the changes were broadly -- if not enthusiastically -- endorsed by the electorate.

Bulgaria's situation is the opposite. The country's macro-economic policies altered little over the years, while its governments changed all the time. Since the collapse of the Soviet bloc in 1989, not a single government has been re-elected to power in Bulgaria. Voters constantly demanded change, but no matter which leaders they chose, they got the same macro-economic policies.

If Germany's economic transformation was a classic case of politically driven reform, Bulgaria's experience was an equally clear example of the "there is no alternative" doctrine. That's the same one now on offer to voters in [Greece](#), [Italy](#) and other peripheral euro-area economies.

Bulgarian politicians, one after the other, justified their loyalty to fiscal conservatism by arguing that this was the pre-condition for joining the EU -- something Bulgarians overwhelmingly wanted, and achieved in 2007. Governments compensated for their inability to change economic policy in response to voter unhappiness, by constantly churning personnel. Protests therefore swing instantly from complaints that won't get addressed -- such as high electricity prices -- to demands for radical political and constitutional change.

Bulgarian Instability

Both countries face elections this year, Bulgaria on May 12 due to the collapse of the government, and Germany in a routine vote on Sep. 22. Opinion polls suggest the ruling center-right parties are likely to win in both cases, but the similarities end there. Few predict significant changes for [Germany](#). In Bulgaria, by contrast, expect a prolonged period of Italian-style political instability.

A convergence of policies has led to opposite outcomes in Germany and Bulgaria, showing that Europe won't necessarily be cured by becoming German. This is because it is wide differences in wealth and institutional performance, rather than divergent policies, that threaten the EU and its currency.

Ivan Krastev is chairman of the Centre for Liberal Strategies in Sofia and is a permanent fellow at the Institute for Human Sciences in Vienna. Georgi Ganev is a program director at the Centre for Liberal Strategies and is assistant professor at Sofia University. The opinions expressed are their own.

Portugal's austerity program unconstitutional

Portugal's Prime Minister Pedro Passos Coelho on Sunday announced further austerity measures in the areas of social welfare, healthcare and education after Portugal's [Constitutional Court](#) rejected the [2013 budget](#) on Friday. Some commentators see the ruling as an important signal against excessive austerity. Others warn that it will block the consolidation of the country's public finances.

De Tijd - Belgium

Much needed signal against austerity

The judgement of the Portuguese Constitutional Court is a major setback for the official austerity policy put forward by Brussels and Berlin, the business paper De Tijd writes, noting that now other remedies are called for: "Portugal is proof of the limits of strict restructuring policies. All of the measures that Brussels and Berlin demanded were [implemented](#). If Portugal's example proves anything at all, it's that one-sided austerity measures lead nowhere. One wonders if German Chancellor Angela Merkel and her supporters in Brussels are ready to hear that. ... At the end of the day, the question is how long a patient can be treated in a certain way when it's clear that he's getting sicker with every day that passes. In Portugal the limits have been reached, meaning it's time for a different course of treatment. The economies of a number of European countries have been [ruined](#) by excessive austerity. An alternative must urgently be found for these states before they are completely [derailed](#) economically and politically." (08/04/2013)

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

More from the press review on the subject [» Economic Policy](#), [» Justice](#), [» Euro crisis](#), [» Portugal](#), [» Europe](#)

All available articles from [» Jean Vanempten](#)

Diário Económico - Portugal

Ruling blocks Portugal's path out of crisis

The Portuguese [Constitutional Court's](#) ruling creates a hole of around 1.3 billion euros in the controversial 2013 budget. The liberal business daily Diário Económico says the timing of the judgement couldn't be worse: "The ruling is a blockade. It is above all an obstacle on the path to normalising public finances and the economy, firstly because it forces a revision of plans and accounts to guarantee financing. ... Secondly because it hinders the implementation of the austerity programme already negotiated [with the troika]. Thirdly because it opens the door for new tax hikes for plugging the holes in the budget. And finally because it potentially puts the country on the path to a [second bailout package](#). In short: Portugal is heading towards a scenario of total mismanagement, and all for the sake of respecting the law and Article 13 of the Constitution that reaffirms the principle of equality [which according to the Constitutional Court the current austerity budget violates]." (08/04/2013)

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

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El Mundo - Spain

Judges not above the government

Portugal's constitutional judges have dangerously exceeded their authority, the conservative daily El Mundo writes angrily: "The ruling of [Portugal's Constitutional Court](#) which has left our neighbour on the brink of the abyss has caused a conflict that could be damaging to all Europe and in particular to Spain. Firstly because the controversial decision has plunged Portugal into another financial crisis and this can have a negative impact on the markets and risk premiums of the peripheral countries of the Eurozone, including ours. And secondly because it sets a dangerous legal precedent given that our Constitutional Court will also have to examine the constitutionality of similar measures. ... The supreme court is not some kind of super-government which takes precedence over the executive. It cannot prevent the application of concrete [austerity measures](#) based on agreements signed with international institutions. We can only hope that our own constitutional judges don't succumb to the same error as those on the other side of the Iberian Peninsula." (08/04/2013)

[» to the homepage \(El Mundo\)](#)

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Süddeutsche Zeitung - Germany

Memories of Carnation Revolution revived

The fact that the [Portuguese Constitutional Court](#) has halted certain parts of the austerity programme reminds the left-liberal daily Süddeutsche Zeitung of the Carnation Revolution in 1974, which marked the beginning of the end for the dictatorship of António de Oliveira Salazar in Portugal: "It's Portuguese tradition for coups to emerge from within state institutions. The Carnation Revolution that ended decades of dictatorship was not a bloody uprising but the well prepared, gentle undermining of a system from within, culminating in a symbolic gesture: the march of the armed forces with carnations stuffed into the barrels of their guns. The comparison between the Salazar dictatorship and the Brussels austerity dictates may be written off as absurd in northern Europe but it tallies with the views of a growing number of Portuguese. The government and its EU partners should take this opposition seriously if they don't want the predictions of the UN's International Labour Organisation (ILO) to come true, when it warned this weekend of [social unrest](#) in Southern Europe." (08/04/2013)

[» to the homepage \(Süddeutsche Zeitung\)](#)

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All available articles from [» Sebastian Schoepp](#)

REFLECTIONS

Corriere della Sera - Italy

Fabio Pammolli condemns smear campaign against Germany

As was the case with neighbouring Greece, the brunt of the anger in the Cypriot protests against the bank bailout package is directed against Germany and Chancellor Angela Merkel, who is being compared with Hitler. Unfortunately Italy is also contributing, albeit more subtly, to this absurd [smear campaign](#), economic policy expert Fabio Pammolli laments in the liberal-conservative daily Corriere della Sera: "In Italy resentment is growing above all within the elite. ... The troika's austerity measures are being put on a par with the deflationary measures of Chancellor Brüning, which helped Adolf Hitler rise to power in 1933. The Hartz reforms of the German labour market are being equated with the protectionist mercantilism of the Reichsbank president and minister for economic affairs at the time Hjalmar Schacht. ... Emotions and negative slogans are shaping the collective conscience. ... They undermine the impact of the [rational arguments](#) that, in the specific case of our relations with Germany, make it clear that there is no good reason for this resentment. ... We ourselves failed to consolidate our own budget and instead relied on the low interest rates that Germany brought into the monetary union as a dowry." (08/04/2013)

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All available articles from [» Fabio Pammolli](#)

Who's saying what [» Austerity jeopardises social peace](#)

To Vima Online - Greece

Antonis Karakousis on the new dogma in the Eurozone

The Cyprus crisis has made it clear that a new dogma has taken hold in Europe according to which everyone is responsible for their own debts, author and journalist Antonis Karakousis points out in the left-liberal online paper To Vima: "Those who expect the economic situation in Europe to improve after the [German elections](#) [in autumn] are probably wrong. The intentions for the future are already clearly discernible. The way the recapitalisation of the Greek banks is being handled and the objections [of the creditors] to a merger between the Greek National Bank and the Eurobank: all this points to the fact that we're dealing with a new dogma here. ... We must prepare to live in a stringent Eurozone where everyone is obliged to take responsibility for their own debts. And anyone who can't will have to leave. We should also prepare for a smaller Eurozone consisting of just 14 or 13 members. The world won't collapse because of this, [German Finance Minister] Schäuble will soon point out. History has taught us that economic crises make societies more conservative." (07/04/2013)

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

More from the press review on the subject [» EU Policy](#), [» Domestic Policy](#), [» Greece](#), [» Cyprus](#), [» Europe](#)

All available articles from [» Antonis Karakousis](#)

Who's saying what [» Who's to pay for Cyprus's bailout?](#)

ECONOMY

Les Echos - France

Japan's monetary policy a model for Europe

The Bank of Japan has further eased its monetary policy, announcing on Thursday that it would pump 1.4 trillion dollars into the economy to double the country's monetary base. The liberal daily Les Echos calls on the ECB to follow suit: "A monetary tsunami. The bank is trying to put an end to the deflation that ails the world's third largest economy. ... Because Japan is the only country in the world where the value of its total output is less than what it was two decades ago. The chances of success are uncertain indeed. But what will definitely be noticed with this almost desperate attempt is that it is being carried out in line with a political mandate. The Japanese government was elected with the task of putting the Bank of Japan at the [service of the economy](#). This lesson [cannot be ignored](#) elsewhere. ... The European Central Bank has lost legitimacy in several countries of the Eurozone, where its monetary policy is deemed inappropriate. Now it must rise to this challenge." (08/04/2013)

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

More from the press review on the subject [» Fiscal Policy](#), [» Euro](#), [» ECB](#), [» Europe](#), [» Japan](#)

All available articles from [» Nicolas Barré](#)

Secret Athens Report

Berlin Owes Greece Billions in WWII Reparations

By Georgios Christidis in Thessaloniki

A top-secret report compiled at the behest of the Finance Ministry in Athens has come to the conclusion that Germany owes Greece billions in World War II reparations. The total could be enough to solve the country's debt problems, but the Greek government is wary of picking a fight with its paymaster.

The headline on Sunday's issue of the Greek newspaper *To Vima* made it clear what is at stake: "What Germany Owes Us," it read. The article below outlined possible reparations payments Athens might demand from Germany resulting from World War II. A panel of experts, commissioned by the Greek Finance Ministry, spent months working on the report -- an 80-page file classified as "top secret."

Now, though, the first details of the report have been leaked to the public. According to *To Vima*, the commission arrived at a clear conclusion: "Greece never received any compensation, either for the loans it was forced to provide to Germany or for the damages it suffered during the war."

The research is based on 761 volumes of archival material, including documents, agreements, court decisions and legal texts. Panagiotis Karakousis, who heads the group of experts, told *To Vima* that the researchers examined 190,000 pages of documents, which had been scattered across public archives, often stored in sacks thrown in the basements of public buildings.

The newspaper offered no concrete figure regarding the possible extent of reparation demands outlined in the report. But earlier calculations from Greek organizations have set the total owed by Germany at €108 billion for reconstruction of the country's destroyed infrastructure and a further €54 billion resulting from forced loans paid by Greece to Nazi Germany between 1942 and 1944. The loans were issued by the Bank of Greece and were used to pay for supplies and wages for the German occupation force.

Bad Time to 'Pick a Fight'

The total sum of €162 billion is the equivalent of almost 80 percent of Greece's current annual gross domestic product. Were Germany to pay the full amount, it would go a long way toward solving the debt problems faced by Athens. Berlin, however, has shown no willingness to revisit the question of reparations to Greece.

Athens too is wary of moving ahead with the demands. The government sees the report as being particularly sensitive due to the fear that it could damage their relations with Europe's most important supplier of euro-crisis aid.

The Greek public, however, has a different view. *To Vima* reflected the feelings of many by arguing that "the historical responsibility now falls on the three-party coalition government. It should publish all the findings and determine its position on this sensitive issue, which has detonated like a bomb at a time we are under extreme pressure from our lenders."

But political analysts believe that the Greek government is disinclined to raise the issue with Germany. The official government position, most recently expressed by deputy finance minister Christos Staikouras, is that Greece considers the issue open and "reserves the right ... to bring it to a satisfactory conclusion."

The report is no longer in the hands of Finance Ministry officials. It was delivered in early March to Foreign Minister Dimitris Avramopoulos and Prime Minister Antonis Samaras. "It will be a top level, political decision regarding how to use it, and Mr. Samaras will be the one to decide," a senior government official told SPIEGEL ONLINE. "This is no time to pick a fight with Berlin."

Warum sich jemand bewusst für Hartz IV entscheidet

Susanne Müller (42) könnte gut verdienen, doch sie braucht nicht viel. Sie hat sich gegen Karriere und für Hartz IV entschieden – und stellt doch Ansprüche. Zu Gast in einem spartanischen Luxusleben. Von [Kathrin Spoerr](#)



Foto: Kathrin Spoerr Susannes Kühlschrank ist nie voll. Die Einkäufe des Tages, Vorräte will sie nicht. "Ich mag es übersichtlich", sagt sie. [Bild teilen](#)

Am 1. März um 9 Uhr früh hocken zwei Nebelkrähen auf einem Balkon im fünften Stock. Sie starren gierig aus schwarzen Vogelaugen, sie wollen fressen. Susanne Müller kommt. Sie versorgt die Krähen mit Katzenfutter. Das ist von Aldi, die bessere Sorte, mit höherem Fleischanteil. Die Vögel mögen das, und Susanne versorgt sie anständig, obwohl sie eigentlich nichts zu verschenken hat. Vögel füttern ist ein Luxus im Leben von Susanne, darum genießt sie die Gier der Tiere. Sie schaut ihnen beim Fressen zu und freut sich.

Will man das Leben von Susanne Müller* in Zahlungsströmen darstellen, genügen kleine Zahlen. Am Monatsanfang beginnt Susanne zu warten. Stündlich kontrolliert die 42-Jährige den Kontostand, online. So erwischt sie den Moment ziemlich genau, in dem ihr Monatsbudget eintrifft.

Buchungstag: 01.03.13

Umsatzart: Arbeitslosengeld II

Buchungsdetails: Regelbedarf zur Sicherung des Lebensunterhalts (372,00 Euro),



Foto: Kathrin Spoerr Susanne Müller lebt von 772 Euro im Monat. Trotzdem pflegt sie einen gewissen Wohlstand – MacBook, iPhone, Steakhausbesuche. Dafür gibt es die meiste Zeit Bratkartoffeln

Kosten für Unterkunft und Heizung (379,00 Euro),

Jobcenter Friedrichshain

Betrag: 751,00 Euro

Saldo: 772,00 Euro

Am 1. März um 11.20 Uhr besitzt Susanne Müller 772 Euro, 21 Euro waren noch übrig vom letzten Monat. Die Überweisung vom Jobcenter ist die einzige grüne Buchung des Monats.

Susanne Müller ist ein sparsamer Mensch. Ein genügsamer Mensch ist sie nicht. Sie ist ein Mensch mit Ansprüchen. Ihre Ansprüche sind klein, von außen betrachtet, aber sie achtet darauf, dass sie sie mit eigenem Geld erfüllen kann. Sie leiht sich nichts, weder von Freunden noch von ihrer Familie. Auch von ihrem Freund nicht. Das Geld, das sie "mein Geld" nennt, kommt vom Staat, von den Steuerzahlern. Sie bekommt das, was in Deutschland als "Mindestanspruch für ein menschenwürdiges Leben" definiert ist. Ihr Anspruch ist im Sozialgesetzbuch festgeschrieben, Arbeitslosengeld II, besser bekannt als Hartz IV.

Den finanziellen Rahmen hat sie schriftlich. Sie bekommt ihn per Brief mitgeteilt, zweimal im Jahr. Manchmal sind es ein paar Euro mehr, manchmal ein paar Euro weniger. Warum das so ist, weiß sie nicht. Aber es hebt oder senkt ihre Stimmung.

Bewilligung von Leistungen zur Sicherung des Lebensunterhalts

Sehr geehrte Frau Müller,

aufgrund Ihres Antrags vom 20.09.2012 werden für Sie Leistungen nach dem SGB II für die Zeit vom 1.12.12 bis 31.5.13 in folgender Höhe bewilligt: Monatlicher Gesamtbetrag in Höhe von 751,00 Euro – für den Regelbedarf zur Sicherung des Lebensunterhaltes (inkl. Mehrbedarfe) 372,00 Euro– Kosten für Unterkunft und Heizung 379,00 Euro.

Müller, Susanne ist in der Kranken- und Pflegeversicherung bei der Barmer-Ersatzkasse vom 1.12.12 bis zum 31.5.13 pflichtversichert.

Als sie noch Geld verdiente, sparte Susanne. Sie hatte schon damals keine großen Wünsche, es gab keinen Gegenstand, auf den sie sparte. Sie sparte vor sich hin, ohne Ziel.

Nie wieder arbeiten

Zuletzt verdiente sie 2290 Euro im Monat, netto. Zuletzt heißt: 2004. Ungefähr die Hälfte brauchte sie damals zum Leben; der Rest blieb liegen. Der Rest wurde immer mehr. Im September 2004 lagen 30.000 Euro auf dem Girokonto. Im Oktober 2004 hat sie gekündigt, ohne eine neue Stelle zu haben. Sie suchte auch keine neue Stelle. Sie wollte nicht arbeiten. Nie wieder.

Um 11.50 Uhr zieht Susanne ihren Shell-Parka an, dazu die Doc Martens. Beides acht Jahre alt, im Outlet gekauft. Sie wickelt sich in ihren roten Schal. Der ist aus Kaschmir und zwölf Jahre alt. Sie läuft die Treppen hinunter auf die Straße. Sie geht zur Bank, dieses eine Mal im Monat.

Buchungstag: 01.03.13

Umsatzart: Kartenverfügung

Abbuchung: 03.02/12.41 UHR – B-FRIEDR. – EUR 300,00 – ENTGELT 0,00

Betrag: 300,00 Euro.

Saldo: 472,00 Euro.

Am 1. März um 12.05 Uhr besitzt Susanne Müller 300 Euro Bargeld. Sie betritt die Schalterhalle, das Geldbündel in der Hand, steuert die Kasse an und wechselt die kleinen Scheine in große um: drei Hunderteuroscheine, ein Zwanziger. Sie sagt, große Scheine machen sie diszipliniert. Susanne streicht die Scheine glatt und steckt sie ins Portemonnaie. Sorgfältig, korrekt. Sorgfalt ist ihre Art. Korrekt ist sie nicht.

300 Euro am Monatsersten, oder -zweiten, spätestens -dritten, mehr Bargeld besaß Susanne seit sechs Jahren nicht. "Ich brauche nicht mehr", sagt sie. "Ich will nicht mehr". Und dann sagt sie: "Mit viel Geld in der Tasche fühle ich mich gut." Sie weiß, dass diese Sätze nicht richtig zueinanderpassen.

Ein paar Minuten lang genießt Susanne den Blick auf die grünen Scheine in ihrem Portemonnaie. Dann geht sie frühstücken. Danach zum Friseur. Wie immer am Hartz-Tag.

Ihr Leben hat sich seit der Kündigung verändert. "Aber nicht verschlechtert", sagt Susanne. Sie lacht. Ungläubige Blicke ist sie gewohnt. Die gesparten 30.000 Euro reichten nach 2004 ziemlich genau drei Jahre lang. Als das Geld weg war, ging sie zum Sozialamt. Seitdem bekommt sie Hartz IV.

Susanne Müller ist 42 Jahre alt. Sie ist gesund. Sie ist intelligent. Sie hat Abitur. Sie hat einen Fachhochschulabschluss als Betriebswirtin. Zwölf Jahre lang hat sie so funktioniert, wie die Mehrheit der Deutschen. Sie hat acht Stunden täglich gearbeitet, hat Steuern gezahlt und an ihre Rente gedacht. Sie hatte einen Chef, viele Kollegen und sechs Wochen Urlaub im Jahr. Sie hasste ihre Arbeit nicht, auch nicht ihren Chef oder ihre Kollegen, als sie kündigte.

Frei wie in der Wüste

Im Urlaub hat sie gemerkt, dass ihr Leben nicht stimmte. Sie fuhr in die Wüste. Sie schlief im Schlafsack unter den Sternen der Sahara. "Dort ist es passiert", sagt Susanne. "In der Wüste habe ich gemerkt, dass ich nicht leben wollte, wie ich lebte. Die anderen wollten, dass ich so lebe." Sie wollte nicht in der Wüste leben, aber so frei wie in der Wüste. Das Wort "frei" benutzt Susanne oft.

Friseur Yilmaz: 15 Euro für einen Pagenschnitt. Susanne geht zum türkischen Friseur, obwohl sie Türken und überhaupt Ausländer nicht besonders mag. Das, sagt sie, sei eine Entwicklung, die neu ist an ihr. "Die wandern in die Sozialsysteme ein", sagt sie. Dass sie selbst das Sozialsystem ausnutzt, weiß sie, aber sie findet es okay. Sie hat kein schlechtes Gewissen. Türken, sagt sie, sollen bitte sehr das türkische Sozialsystem ausnutzen. Warum sie so denkt? "Ist doch logisch", sagt sie. "Die sind meine Fressfeinde. Konkurrenten eben."

Café Morgenrot: 3,50 Euro für ein französisches Frühstück (ein Brötchen, ein Croissant, Butter, Marmelade, Honig, 1 Tasse Kaffee). Sie bittet um ein zweites Brötchen und bekommt es. Gratis. Susanne gibt kein Trinkgeld.

Susanne wird erst wieder am Abend Hunger haben. Sie wird Bratkartoffeln mit Spiegelei machen. Sie isst gern Bratkartoffeln.

Susanne hat ihr Frühstück auf. Sie hat ein bisschen Zeitung gelesen, und jetzt geht sie einkaufen. Zwei Straßen weiter ist ihr Bioladen. Sie lächelt in die Wintersonne. Drei grüne Scheine im Portemonnaie. Das Essenkaufen macht sie sorgfältig. Mit viel Zeit für Qualität und Preisvergleich.

Biolädchen:

vier Kartoffeln, 79 Cent,

zwei Karotten 65 Cent,

1 Liter Milch, 1,15 Euro,

ein Dinkelvollkornbrot vom Vortag

zum halben Preis, 2,05 Euro,

250 Gramm Butter, 1,49 Euro,

vier Eier, 1,20 Euro.

Zusammen: 7,33 Euro.

Am 1. März um 14.05 Uhr hat Susanne Müller 274,17 Euro im Portemonnaie. Sie hat ihre Umhängetasche mit den Einkäufen befüllt und geht nach Hause. Die Wintersonne scheint noch immer, sie genießt die Strahlen und geht langsam.

Susanne kauft zweimal, manchmal dreimal in der Woche ein. Biokost, nichts anderes. Und immer nur das, was sie braucht. "Ich esse gern, und ich koche gern", sagt sie. Ihr Monatsbudget für Nahrungsmittel liegt bei 120 Euro. Ihr Kühlschrank ist nie voll. Die Einkäufe des Tages, Vorräte will sie nicht. "Ich mag es übersichtlich", sagt sie.

Um 14.35 Uhr kommt Susanne nach Hause. Sie legt sich aufs Sofa. Sie sieht aus dem Fenster. Sie schließt die Augen. Jeder normale Mensch würde jetzt einschlafen. Susanne schläft nicht, sie liegt einfach da. Sie nennt es Meditation. "Ich brauch die Entspannung. Sonst kann ich mich nicht erholen." Sie hat das Gefühl, Erholung zu brauchen, sagt sie. Natürlich weiß sie, dass sie noch gar nichts Anstrengendes getan hat heute. Eine Stunde

später steht sie auf, erholt. Jetzt ist der Haushalt dran. Wäsche in die Maschine, das Bad putzen. Das macht sie jeden Freitag. Staubsaugen. Das macht sie täglich.

Um 15.30 Uhr will Susanne sich ein bisschen bewegen. Parka, Kaschmirschal, Doc Martens. Ein Griff in die Kammer, dort steht eine Ikea-Tasche. Sie ist voll, 28 Pfandflaschen, die sie in den letzten Tagen gesammelt hat. "Nicht gesammelt", korrigiert sie sich. "Gefunden und mitgenommen."

Susanne geht zu Aldi, zwei Straßen weiter. Sie macht einen großen Umweg, weil das Winterwetter immer noch schön ist und die Straßen leer. Unterwegs findet sie zwei weitere Pfandflaschen. Weil ihre Tasche voll ist, klemmt sie sich die Flaschen unter den Arm.

Um 15.55 Uhr schiebt Susanne die Flaschen in den Pfandautomaten. Sie bekommt einen Bon im Wert von 7,50 Euro. Dann betritt sie den neonhellen Einkaufssaal. Einmal in der Woche kommt sie her. Mit Flaschen und einigen Bedürfnissen.

Katzenfutter 1,99 Euro

Klopapier 2,75 Euro

Allesreiniger 75 Cent

Flüssigwaschmittel 1,99

Geschirrspültabs 2,85

Hautpflegecreme 1,29

Haargel 99 Cent

Deo 85 Cent

Shampoo 75 Cent

Zahncreme 39 Cent

Tampons 2,75 Euro

Müllbeutel 69 Cent.

Außerdem: ein Thesa-Kleberset (Klebestift, Klebeband, Sekundenkleber, Alleskleber) 2,29 Euro. Kopierpapier, 500 Blatt, 2,99 Euro – beides aus dem Aktionsassortiment der Woche. Keine Impulskäufe, sondern Bedarf. Das Aktionsprogramm hatte sie letzte Woche mitgenommen und gründlich studiert.

Am 1. März um 16.55 Uhr hat Susanne Müller 258,85 Euro im Portemonnaie. Zweimal grün. Aber nicht mehr lange, denn jetzt wird sie die beiden größten Einkäufe des Monats hinter sich bringen: Die Prepaidkarte für ihr Handy muss aufgeladen werden: 40 Euro für Internet und SMS und Telefonieren, 36 Euro für die Monatskarte der BVG, Sozialtarif.

Am 1. März um 17.25 Uhr hat Susanne Müller 182,85 Euro im Portemonnaie, einmal grün. Auf dem Weg nach Hause klingelt ihr Handy. Sie holt ihr iPhone aus der Tasche, gebraucht gekauft vor zwei Jahren. Für 350 Euro. Ihr altes Handy hatte sie verkauft, es war ein iPhone 3 und brachte ihr 245 Euro. Susanne hätte gern ein iPhone 5. Seit Wochen sucht sie nach einem günstigen gebrauchten und nach einem Käufer, der ihr iPhone 4 kauft, möglichst teuer.

Susannes Freund Jens ist jetzt am Telefon, sie ist seit vier Jahren mit ihm zusammen. Jens ist Lehrer. Er fragt Susanne, wie es ihr geht. "Super!", sagt Susanne. Jens möchte seine Freundin zum Essen einladen, heute Abend. Susanne lehnt ab, denn heute Abend gibt es bei ihr Bratkartoffeln. Sie fragt ihn nicht, ob er kommen mag, um mit ihr zusammen die Bratkartoffeln zu essen. Später wird sie sagen: "Ich brauche viel Zeit für mich. Heute Abend möchte ich allein sein." Jetzt sagt sie: "Morgen gern, Jens." Jens ist einverstanden.

Morgen ist Samstag, das Wochenende verbringen Jens und Susanne zusammen. Er fragt, wo Susanne morgen essen möchte. Sie möchte zum "Block House". "Einmal im Monat Steak – das ist Luxus." Nächste Woche wird sie Jens einladen, aber nicht ins Restaurant. Sie wird für ihn kochen. "Damit sind wir dann quitt", sagt Susanne. Und dabei schaut sie so triumphierend, als hätte sie es mit dem Satz "Wir sind quitt" allen gezeigt. Ihrem Freund, ihrer Mutter, ihrem Bruder – allen, die an ihrer Lebensführung etwas auszusetzen haben, hat sie mit dem Satz "Wir sind quitt" bewiesen, dass sie, Susanne Müller, weder eine Schmarotzerin ist, noch ein Versagerin und schon gar keine Betrügerin.

Sie vermisst es, zu reisen

Früher verreiste sie gern. Seit sie hartzt, reist sie nicht mehr. Dazu reicht "ihr Geld" nicht. Schwarz arbeiten, was dazu verdienen? Susanne schaut verständnislos. "Ich will nicht arbeiten." Sie vermisst es, zu reisen. Aber wenn sie abwägt, eine Reise, eine Traumreise sogar, gegen den "Verlust meiner Freiheit", dann fällt ihr die Entscheidung leicht: keine Reise. Natürlich lässt sie sich auch nicht zu einer Reise einladen. Jens hat es oft angeboten. Sie sagt Nein, aus Prinzip. Ein Lottogewinn, der Jackpot – das wäre okay. Den würde sie nehmen und eine Weltreise machen. Ansonsten weiterleben wie jetzt. Susanne spielt kein Lotto.

Im Herbst 2004 machte sie ihren letzten Urlaub. Sie reiste in die Wüste, es war ihr fünfter Wüstenurlaub. Danach reichte sie die Kündigung ein. Ein Versicherungsunternehmer verlor "eine wertvolle Mitarbeiterin. Susanne Müller verließ das Unternehmen auf eigenen Wunsch." Das steht in ihrer Beurteilung. Ihr Chef hat sich Mühe gegeben. Er schrieb nur Bestes über sie. Susanne hat die Beurteilung noch nie gebraucht.

Ihr Jobcenter erwartet Bewerbungsnachweise, und es kriegt sie. Susanne weiß genau, wie eine Bewerbung aussehen muss, die jeder Arbeitgeber ablehnt. Kein Anschreiben, keine Zeugnisse. Ein lückenhafter Lebenslauf, Rechtschreibfehler.

Die letzten zehn Jahre, ihre große Hartz-Pause, legt sie ausführlich dar. Sie wurde noch nie zu einem Vorstellungsgespräch eingeladen. So stellt Susanne alle zufrieden. Den potenziellen Arbeitgeber, der eine vermeintlich Asoziale nicht einstellen muss. Das Jobcenter, weil eine Langzeitarbeitslose ihren Willen unter Beweis stellt. Sich selbst. Weil sie sich mit der Demonstration ihres Arbeitswillens den nächsten freundlichen Bewilligungsbrief vom Jobcenter sichert.

Keine Lust zum Arbeiten

Das Jobcenter ist freundlich zu Susanne, aber es foltert auch. Umschulungen. Weiterbildungen. Qualifizierungskurse. Einmal im Jahr macht sie die Maßnahme, die ihr Berater vorschlägt. Englischkurse, Managementkurse, Buchhaltungskurse, Stadtentwicklungskurse, Computerkurse. "Wenn ich Nein sage, kürzt er mein Geld." So blöd sei sie nicht. Für das, was sie "ihre Freiheit" nennt, bringt sie Opfer. Susanne Müller ist clever. Sie hat Kraft und Talent. Sie hat nur keine Lust zum Arbeiten. Und auch kein schlechtes Gewissen.

Um 17.15 Uhr schließt Susanne Müller ihre Wohnungstür auf. Sie freut sich auf ihre Wohnung, sie kommt gern nach Hause. Anderthalb Zimmer, 44 Quadratmeter groß und kalt. 15,5 Grad zeigt das Thermometer, ein Kombigerät mit Innen- und Außentemperaturanzeige, Uhrzeit, Wecker, Luftdruck und -feuchtigkeit. Ein Sonderangebot bei Rewe, 19,99 Euro. Das Thermometer steht da, wo bei anderen Leuten der Fernseher stehen würde. Wenn Susanne auf ihrem Sofa liegt und hinausguckt in die Sonne oder in den Regen von Berlin, dann streift ihr Blick den Kasten mit den Wetterdaten. Susanne hat keinen Fernseher.

Sie friert auch nicht. Sie hat einen Pullover übergezogen. Wegen Thilo Sarrazin? "Wer ist Thilo Sarrazin?", fragt sie und lächelt nicht. Sie kennt Thilo Sarrazin nicht, den Berliner Senator, der 2008 armen Berlinern empfahl, einen Pullover anzuziehen, anstatt die Heizung auf Kosten der Steuerzahler aufzudrehen.

Keine Kleidung von H&M

Susanne hat genau sechs Pullover, drei Hosen, sieben Paar Socken. Sie kennt jedes Kleidungsstück, denn "alles sind teure Marken", und alles bleibt lange bei ihr. Ihr ältester Pullover ist 21 Jahre alt, er ist von Ralph Lauren, damals 35 Mark, der jüngste ist ein Jahr alt und von Tommy Hilfiger, er kostete 27 Euro im Outlet. Sie sagt, sie würde ihre Kleidung nie bei H&M einkaufen. Für Kleidung hat sie eine Sonderkasse. Eine zweite Buchhaltung. Die Kasse füllt sich vier mal im Monat, immer 15 Euro, so viel bekommt sie für ihr Blutplasma. Sie gibt das Geld für Luxus aus: Kleidung ist Luxus, Zahnprophylaxe ist Luxus, zweimal im Jahr. Kino ist Luxus. Jeden zweiten Monat lädt sie Jens ein, ohne Popcorn. Genauso oft darf er sie einladen, mit Popcorn. Ihre Familie in Düsseldorf besuchen ist Luxus, zweimal im Jahr. Guter Tee ist Luxus.

Drei Nebelkrähen erwarten sie auf dem Balkon. Susanne packt ihre Einkäufe aus, öffnet das Katzenfutter, geht auf den Balkon und bedient ihre Krähen. Dann setzt sie sich aufs Sofa und schaut ihnen durchs Fenster zu. 20 Minuten Ruhe. Einfach schauen, Luxus.

Sie hat keine Bilder an der Wand, keine Kissen auf dem Sofa, keine Stühle, keinen Esstisch, keine Gardinen. Ein weißes Sofa, ein weißer Teppich, ein Billy-Regal, ein Sitzsack, eine Bank aus Kiefernholz. Im Schlafzimmer ein Bett und ein Schrank ohne Türen. Es gibt nur ein paar nutzlose Dinge, und die fallen umso stärker auf. Ein Buddhakopf, ein Kaktus und drei gerahmte Fotos auf dem Fensterbrett. Das ist der einzige Schmuck des Zimmers. Susanne liebt ihre Wohnung. Obwohl sie zu teuer ist.

Um 18.05 Uhr klappt Susanne ihren Computer auf – ein drei Jahre altes MacBook. Auch den möchte sie bald gegen ein neueres Modell eintauschen, obwohl er "noch immer tadellos läuft". Wenn sie einen neueren gebrauchten Computer kaufen will, darf der ältere gebrauchte Computer, den sie verkaufen wird, nicht zu alt sein. Susanne weiß das, denn sie hat ihre Zahlungsströme optimiert. Sie klickt den Browser an. Sucht nach günstigen Angeboten fürs iPhone und MacBook, nach Bildern der Wüste Gobi, nach Sonderangeboten für Biotee.

Um 19.20 Uhr kontrolliert Susanne noch einmal ihren Kontostand. Am Monatsersten kommt Hartz rein, und die Miete geht raus. Sie tippt die Bankdaten ein, wappnet sich kurz für den Anblick des Kontos, eben noch voll, nun leer geräumt für ihren Vermieter.

Buchungstag: 01.03.13

Umsatzart: Dauerauftrag

Buchungsdetails: Miete und Mietnebenkosten

Betrag: 410,00 Euro.

Saldo: 62,00 Euro.

Am 1. März um 19.25 Uhr hat Susanne 62 Euro auf dem Konto und 182,85 Euro im Portemonnaie. Nur noch eine Buchung wird ihr Konto erleichtern: 21 Euro für ihren DSL-Anschluss zur Monatsmitte. Sie wird das Bargeld sorgfältig einteilen. Es wird reichen.

The eurozone crisis challenge to democracy: which way forward?

[Vivien A. Schmidt](#) 14 December 2012

76,32

Does the euro crisis ring the death knell for European citizens' influence in the EU decision-making process?

During the eurozone crisis, decision-making has become more and more remote from the citizens, as EU member-state leaders in the Council have taken most of the initiatives. This has altered the EU's 'democratic' settlement (which expects a relative balance among major EU institutional actors), by sidelining the European Parliament (EP) and turning the EU Commission into little more than a secretariat tasked with technocratic oversight of automatic rules coming from more and more stringent pacts for fiscal consolidation. Moreover, national parliaments have had little role other than to rubber stamp intergovernmental treaties at the risk, if they failed to do so, either of sanctions from the markets or, for countries under IMF or eurozone loan bailout strictures, a loss of access to further financing.

European leaders engaged in intergovernmental decision-making, whether in the European Council, in the Council of Ministers, in Summits, or in negotiating Treaties, often tout themselves as most legitimate because they indirectly represent their citizens. What they fail to recognize is that however crucial intergovernmentalism may appear in the heat of the crisis, it is actually the least democratic of processes because it gives those leaders with the greatest bargaining power an undemocratic advantage in the closed door negotiating sessions of the Council. That 'ordo-liberal' (neo-liberalism with rules) austerity policies focused on a 'Culture of Stability' dominate the eurozone, and remain predominant even as eurozone countries have slid into recession and worse, is testimony in no small measure to the power of one country in the intergovernmental decision-making process.

Such increasing intergovernmentalism, added to the hesitant EU leadership that has failed to solve the crisis, only further fuels citizens' disaffection from the EU as well as disillusionment with their leaders. Citizens find themselves increasingly unable to influence decision-making, whether as voters who express their dissatisfaction by throwing their governments out of office with increasing frequency - only to find the subsequent government implementing the same policies - or as protesters in the streets. Is there any wonder, therefore, that we see the rise of extremist parties on the right and the left, ready to jettison the euro and, possibly, the EU?

The illegitimacy of the European nation state

The legitimacy crisis, then, is not a problem just for the EU but also for national polities. At the national level, we increasingly find '*politics without policy*' in domains of EU competence, as more and more policy decisions have moved to the EU level while leaving the political debates of the left and right to the national arena. At the same time, the EU level appears to be '*policy without politics*,' as member-state leaders in the Council eschew the language of the left or the right when speaking of their national interests, the EU Commission uses the language of technocracy, and the EP, if not left out of the game entirely, uses the language of the public interest. [1] But while the language may be apolitical, the policies in response to the crisis are in fact highly political - and largely conservative and ordo-liberal. But they have not been subject to the kind of political debate at the EU level that citizens would normally expect, and which at the national level traditionally serves to legitimize policy.

The question therefore is: should one politicize EU institutions in order to legitimize its policies? If the answer is yes - how? Through an elected European President - of the Council or the Commission? By shifting the balance toward the European Parliament? By allowing more discretion to the Commission?

The election of the Council President via universal suffrage, suggested by German Finance Minister Wolfgang Schäuble among others, would certainly appear to confer the greatest representative legitimacy on the Council while bringing the EU closer to the people. But it is premature. The danger in the short term is that in the

absence of a mature European citizenry with a common sense of identity as a '*demos*', the election becomes a plebiscite, with the winning candidate the one with the greatest name recognition - a pop star, a football hero - who would win over less colourful but more competent and seasoned politicians. (In a recent [essay](#) for the German Marshall Fund's Eurofuture series on alternative scenarios for EU in 2020, I jokingly suggest that in a future *dystopiEU* the winning candidate would be David Beckham.)

Moreover, without any thought to the powers the Council President would exercise, having the legitimacy of popular election would either remain largely symbolic, leaving that person too little power if nothing were altered in the job description, or it might radically alter the EU institutional balance by appearing to confer too much power to that person, to the detriment of member-state leaders in the Council and possibly the EP.

By contrast, the election of the Commission President via European Parliamentary elections - the preference of major EP party groupings for the EP 2014 elections - might work to the advantage of all institutions. In the scenario envisaged, each main European party grouping would name its candidate for Commission President, set out a party platform, and then campaign in member state after member state, debating with the candidates from other European parties about their visions for how to solve the crisis.

This could be enhanced were national parties to name potential Commission candidates to head their party lists, thereby enabling national electorates to put a national face on the EU campaign, and get the chance to elect *their* Commissioner. It would have the added value of encouraging top national politicians to run for the EP, and then to serve as Commissioners.

This alternative would help rebalance the EU system by giving the Parliament along with the Commission President greater representative legitimacy, at the same time that it would make the Commission more accountable to the EP as well as better able to legitimately exercise administrative discretion when implementing Council policies, by orienting them to the political preferences of the EP majority. But most importantly, the elections themselves would help bring real (left/right) political debate back into the EU policymaking process, in principle spurring citizen interest and serving to legitimize policy.

One caveat, though, in the line of 'be careful what you wish for.' The EP elections of the Commission President could themselves become a losing gamble were they to remain what they have long been, second-order affairs of little interest to citizens, and if the different parties in the elections fail to come up with clearer visions and better narratives to legitimize 'more Europe' to the citizens.

The gamble would be lost entirely, however, were the only interest to come from the political extremes, leaving the EP with a thinning centre hemmed in by extremists of the right and left. Under these circumstances, such elections would politicize only to delegitimize the Commission and the EP. To ensure against this eventuality, along with increasing national political volatility, best solve the eurozone crisis before 2014.

Democracy Could Destroy the Euro

By [Michael Sivy](#) April 23, 2012 [Add a Comment](#)

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Wolfgang Kumm / DPA / ZUMAPRESS

The euro has survived a string of disasters, from the banking crisis in Ireland to the real estate collapse in Spain as well as nonstop economic chaos in Greece. But now the common European currency faces an even greater threat, one that it may be unable to overcome: democracy.

Quite simply, in most of the countries that make up the euro zone, there is no longer a substantial majority willing to make the sacrifices needed to keep the euro currency system together. This has always been true to some extent. Commentators have long talked about the euro zone's "[democratic deficit](#)," meaning Europe's economic system is largely the creation of powerful political and business interests and lacks transparency, accountability and a broad popular mandate. But up until now, support by the elites has been more than sufficient to keep the system intact.

Over the next few weeks, however, the elites are likely to start losing their grip. A number of key European countries are facing elections, and the political parties that support the euro are expected to fare badly. In the most financially troubled European countries, popular resistance to austerity policies is mounting. At the same time, in those countries that are still financially stable, the electorate is growing increasingly unwilling to keep doling out money to keep the weaker countries from insolvency.

The first round of the French presidential election, which took place yesterday, was a bellwether of diminishing popular support. President Nicolas Sarkozy has been strongly committed to saving the euro, and is the second most important political leader in the euro zone, after German Chancellor Angela Merkel. He polled just over a quarter of the vote, slightly less than his chief rival, Socialist François Hollande. Moreover, Sarkozy is expected to lose to Hollande by as much as 8 percentage points in the second round of the election on May 6.

Hollande is not opposed to the euro in principle. But he rejects austerity policies and calls for a greater emphasis on growth. Further, to the extent he has to reduce the budget deficit, he favors tax increases over spending cuts. In short, Hollande's efforts to save the euro will probably be halfhearted. Sarkozy's replacement by Hollande would therefore likely [weaken the German-French axis](#), undermining confidence in European financial markets and leading to a general loss of direction in the euro zone.

The sentiment of the rest of the French electorate is perhaps even more important. Basically, the extreme parties are unwilling to do anything to save the euro if it hurts French workers. Marine Le Pen of the far-right National Front finished third with 18% of the vote. She has urged her supporters to "[shout their rage](#)" at the E.U. and focus totally on France's national interests. She also wants France to move toward [abandoning the euro](#) and ultimately reintroduce a national currency.

At the other extreme, far-left candidate Jean-Luc Mélenchon, who finished fourth with 11% of the vote, has paid lip service to defending the euro but has also called for an end to austerity. In addition, he has stridently attacked the so-called [fiscal pact](#) — the March treaty that requires euro-zone countries to keep their national budgets more or less in balance. Together Le Pen and Mélenchon polled more than either of the two main candidates, which means that a victorious Hollande would feel more pressure to back away from the euro than to fight to save it.

Although France is the most important country in the current set of elections, the same trends are evident elsewhere. Elections for the Greek legislature will be held on May 6, the same day as the second round of the French election. Polls project big losses for the coalition of socialists and moderate conservatives that supports the implementation of austerity policies in Greece. In fact, [the Washington Post projects](#) that the coalition will lose 46 seats, reducing its huge majority to a margin of just a few seats.

During the same weekend in some parts of Italy, there will be [local elections](#) that are expected to show a conspicuous lack of enthusiasm for the current government. And even the Netherlands is at risk of having the current government fall because of resistance to proposed austerity policies. The crisis was triggered when the minority government in that country lost the support of the far-right Freedom Party, whose leader Geert Wilders summed up his party's stance: [“Against Europe, against the euro.”](#)

The threat is not simply that parties may be voted in that would favor withdrawal from the euro and the reintroduction of national currencies. That would be incredibly disruptive financially and could cause huge losses for banks, international financial institutions and national governments — and everyone knows it. As a result, parties that win elections in European countries will most likely support the euro zone in principle.

The real problem is that as popular support for the euro diminishes across the political spectrum, governments will be less willing to take the aggressive and sometimes painful measures needed to keep the euro zone together. When leaders know that the majority — or at least a large minority — of their constituents oppose a policy and are unwilling to accept its costs, they will be tempted to stand aside and let nature take its course. And in this case, the path of least resistance is simply to deplore the failure of the euro while doing little to prevent it.

The euro crisis

An ever-deeper democratic deficit

The level of further integration necessary to deal with the euro crisis will be hard to square with the increasing cantankerousness of Europe's voters

May 26th 2012 | [From the print edition](#)

76,36



FOR the past six decades, steps forward to greater European union have taken place at moments of incipient crisis. None, though, has been taken in a time of disaster. The next leap in integration looks set to change that. All the plausible solutions to the self-inflicted mess of the euro crisis require a significant new level of fiscal and potentially political union, not least because some countries, such as Germany, actively want greater political union and see it as the price of their co-operation. In order to make any such solution work, Europe's elites will have to address a problem they have long shirked: that of the democratic deficit at the heart of integration. And they will have to do so under the worst of conditions.

The past week's near-continuous high-level summitry has done little to reduce the risk of a Greek exit from the euro, which rose to higher levels than ever after the inconclusive results of the country's election on May 6th. The risk shows no signs of receding before the next vote, on June 17th. After that, risk may become reality (see

A consensus is slowly emerging that, whether a Greek exit is to be averted or weathered, there will have to be a greater level of integration in the euro zone, with tighter constraints on the freedom of national governments. Some countries, under some conditions, may put up with seeing their governments so constrained for a while: Italy and Greece (until recently) have had unelected, technocratic prime ministers, in large part as a result of pressure from outside creditors. But elsewhere, and in the long run, people seem likely to want to do the constraining they think proper by means of the ballot box, rather than having it forced upon them.

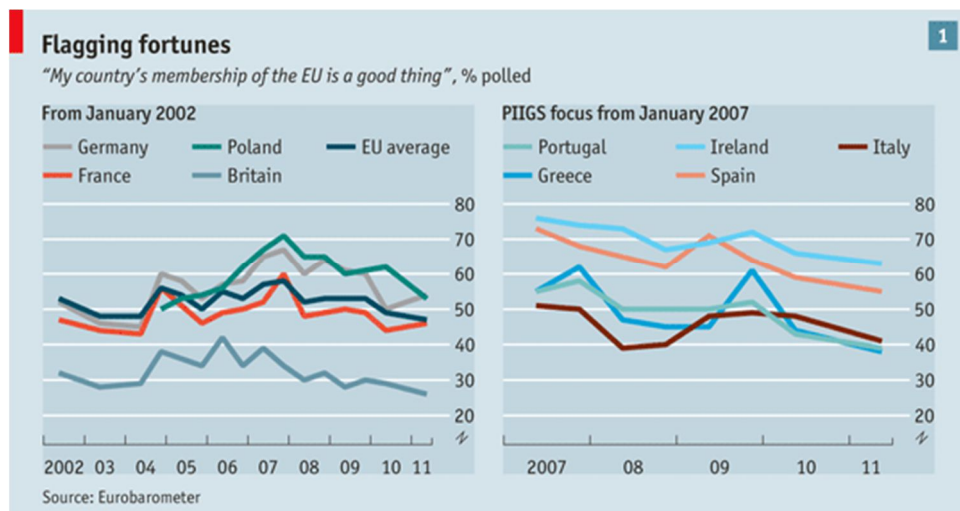
If only you'd asked

A new paper written for the European Council on Foreign Relations (ECFR) by Ulrike Guérot and Thomas Klau quotes a German government official putting his finger on the nub of the problem: "the weakness of the system is not about spending and how to promote growth, but about legitimacy." A move to fix the euro crisis with greater political union that does not take this into account will, at best, store up grave political problems for the future. At worst it will prove impossible to implement at all because of the politics of the here and now.

The architects of the 1992 Maastricht treaty, who included Jacques Delors, then European Commission president, and Helmut Kohl, then German chancellor, always wanted political union to accompany the monetary union that the treaty envisaged. Some critics of the project, including the German Bundesbank, argued that the single currency would not work without it.

But Maastricht, like many edifices, did not end up quite as the architects had wanted. There were rules on budget deficits that implicitly reached into the political decision-making of the member states. But they were not taken seriously, and swiftly broken without censure.

In what has become something of a pattern in Europe, most voters were not asked whether they wanted such a treaty. Those who were showed themselves equivocal: a French referendum on the Maastricht treaty squeaked through by the narrowest of margins. Most of the euro zone's citizens came to accept the currency, as they have accepted the European Union (EU), because until the crisis hit it seemed to bring clear benefits, or at least to do no harm. Once things started to go wrong, though, the voters protested.



Since the euro crisis began in early 2010, no fewer than nine of the zone's 17 national leaders have been ejected from office. The approval ratings for many countries' membership of the EU have been declining (see chart 1). Voters have been giving more support to fringe parties. The Greek election took this swing to extremes, with almost 70% of the votes going to parties that wanted to modify or tear up the country's bail-out deal. But something similar, if more muted, is visible from Finland to the Netherlands to Germany. It can be hard to tell anti-incumbency feeling from anti-Brussels feeling—but that is part of the problem. With no way to influence Brussels except through governments that seem not to be listening, the cynical antipolitics of impotence easily takes hold.

Democracy, eurocracy

This democratic deficit in Europe's institutions is hardly new. Europe's first helmsmen deliberately eschewed populism—the tool of fascists and communists, in their eyes—in favour of dispassionate well-planned gradualism as a road to the sort of ever closer union that would banish war from the continent. Thanks to the decisive intervention of Charles de Gaulle—whose “empty chair policy” meant refusing to send French emissaries to Brussels, and thus paralysing the nascent institutions until his demands were met—the project soon veered from a more centralised vision to a more inter-governmental one; but the powerful non-national institutions remained.

Although it was an elite venture light on such fripperies as voters' consent, still less accountability, the European project incorporated many less direct democratic features from the start. Most fundamentally, membership was only open to democracies. The inter-governmental Council of Ministers and European Council—now the EU's prime driver of policy—thus represented the people. The commission—its members chosen by elected national governments—would propose legislation; it would then have to be approved by both the Council and the European Parliament, another mode of legitimation. To begin with the parliament's members, too, were nominated by governments from their national parliaments. From 1979 onwards the members have been elected directly.

The role of governments in setting policy and appointing personnel was one response to concerns about democratic accountability within the nascent EU. Another was to argue that what really mattered for European citizens was “output legitimacy”: the notion that, so long as the common project produced evident benefits in

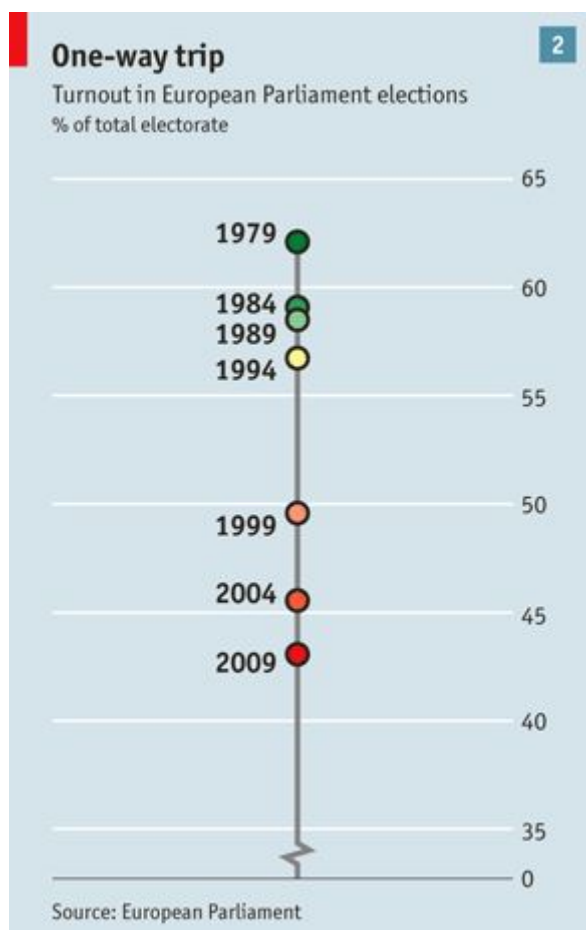
the form of prosperity, economic opportunities and job creation, voters would accept it, and even come round to welcoming it.

A third was to claim that the European project was mainly about technical matters such as competition, regulation and rules for the single market, all of which could happily and unproblematically be dealt with out of sight of the voters (in most countries they are dealt with technocratically). The argument was that, so long as the EU did not touch the most important political issues for ordinary voters—such as tax, spending, education, defence or health care—its apparent lack of accountability would not matter.

Coming unstuck

Now the crisis has struck, all the putative responses to the democratic deficit are being found wanting. The qualified majority voting introduced by the Single European Act of the 1980s and the subsequent enlargement of the union mean that nations, especially small ones, can frequently feel marginalised, and their electorates voiceless; the system is opaque, complex and remote. Countries outside the euro zone are not party to some decisions, which can make them fear marginalisation; the “six pack” of fiscal regulations agreed last year and the newly devised fiscal compact erode even further the ability of a government within the zone to control its own fate. Crucially, the pact imposes fines on governments in breach of its strictures automatically, unless a qualified majority of all the others votes against doing so. In 2002 Francis Mer, newly installed as French finance minister, dismissed commission requests for budget cuts to comply with the stability and growth pact by saying that “France has other priorities.” Pierre Moscovici, François Hollande's new finance minister, stands no chance of being similarly highhanded. This lack of governmental override worries not just debtor nations but also some creditor countries such as the Netherlands—and even German states.

The other responses to the democratic deficit look even more tattered. Output legitimacy is a hard sell when the outputs voters use to reach a judgment are a crisis they didn't create and austerity they don't want. The idea that the EU is all about distant technical adjustments is laughable now that the euro is impinging on many basic functions of sovereign national governments, most obviously in Greece, Ireland and Portugal, but also in all the parties to the fiscal compact. If the euro is to survive, it will likely do so by impinging on them yet further.



And what of the European Parliament? It has, if anything, widened the deficit it is meant to make up. It has increased its powers with every EU treaty, including the fiscal compact; but it has seen no parallel growth in its legitimacy. In the commission and in national capitals alike, frustration with the parliament has been growing. It is almost always in favour of new regulation and always in favour of more spending. Any claim that this is what the voters want is undermined by the fact that the voters show ever less interest in it. At every election for the European Parliament since 1979, the turnout across the continent has plumbed a new low (see chart 2). National elections see higher turnouts almost everywhere. And if fringe parties are doing well in many regional and national elections—as the Pirate Party has been in Germany, and Beppe Grillo's “Five Star movement” in Italy (see [article](#))—they tend to do even better in votes for Strasbourg.

How to elect a president

If a more tightly knit euro zone needs better democratic credentials, then there is no shortage of ideas about what to do. The most obvious is to limit the extent of centralised powers. Constraints on national budget deficits—which the fiscal compact wants written into national constitutions—do not need to mean common rules on spending or harmonisation of taxes. The long-established principle of subsidiarity should leave as much discretion as possible to national or local levels of government. Yet much tighter constraints on fiscal policy will still curtail national freedom, so they may need to be offset by schemes designed to increase democratic legitimacy.

Old-style federalists say this means now is the time to bolster the European Parliament still more. One possibility would be to up the ante in its elections by making them indirect elections for the commission president as well. The idea is that the big political groups (the centre-right European People's Party, the Socialists and the Liberals) should each have preferred candidates, and the member states should agree to choose the candidate of the block that does best at the next elections, due in 2014.

Such schemes ignore the degree to which the parliament has become part of the problem, rather than the solution—unloved by the EU's institutions, the governments of its member states, and its citizenry. In its judgment on the Lisbon treaty, the German constitutional court cast doubt on the democratic credentials of the European Parliament, arguing that the Bundestag had greater legitimacy.

Another possibility, if elections are the answer, is to avoid the parliament and elect the president of the commission directly. Wolfgang Schäuble, Germany's finance minister, has espoused this idea, most recently in his acceptance speech for the Charlemagne prize on May 17th. Last November, his party, the Christian Democratic Union that Angela Merkel leads, also came out in favour of an elected president. The opposition German Social Democrats are also interested.

‘Don’t be afraid of counter-democracy’

4 April 2013



Luuk van Middelaar is what is called an engaged observer. Philosopher and historian, he is the author of one of the most exciting books on European Union in recent years, *Le Passage à l'Europe, Histoire d'un commencement* (*The Transition to Europe: Story of a beginning*), which earned him several awards, including the European Book Prize in 2012. Since 2009, though, as one of the advisers – and “pen” – of European Council President Herman Van Rompuy, this 39-year old Dutchman has also been at the heart of the system that he dissects.

In Paris for a conference at the House of Europe, Luuk van Middelaar uses this dual viewpoint to put in perspective the crisis and the changes that the Union is going through. Firstly, the union is now split between the countries with the euro and the countries without it, he says. On the other hand, “Europe has two hearts: the common market, and the euro, which is a transfer of sovereignty that is both immense and underestimated. The states are drawing the conclusions today, and sometimes it is very painful”.

In fact, notes the historian, “European policy is turning ever more inward.” But this evolution cannot proceed merely through a balance being achieved between Brussels and the national governments. The EU “needs democratic legitimacy at both the national and European levels”. From this point of view, Luuk van Middelaar believes –

The European public is like the choir, which looks down on the scene but also takes part in it and comments on it. It becomes an actor when it votes, but also when it comes out in the street to express its displeasure. The European public is seeking ways to act. Increasingly, national elections are about Europe. In the Italian elections, the debate has been to define Italy’s relationship with Europe. How the Italians voted was an action, a message. “Do not be afraid of what Pierre Rosanvallon termed ‘the counter-democracy.’”

The European elections of 2014 will therefore be crucial. While many argue, though, that the president of the next European Commission will be appointed from among the ranks of the political grouping that emerges from the election, Luuk van Middelaar observes that –

this politicisation, which can strengthen the Commission, can also harm its neutrality in its role as guardian of the treaties. The Commission has some new functions (monitoring national budgets, in particular), which require it to be neutral. This brings up the question of the public and its disappointment, because the Commission will have neither the powers nor the means to shake up the system. More generally, this raises the problem of the Executive power: who can make the decisions for all of the club's member states? I am against

good ideas that turn out to be mistaken, and one of them is direct elections for the president of the European Commission.

After this conference, we continued the discussion with Luuk van Middelaar in a brasserie in the Marais, in the company of the team from European thinktank [La Maison de l'Europe \(House of Europe\)](#). On the menu: pot au feu, veal kidneys and the crisis afflicting the sense of "Europeanness" – what the philosopher, historian and political adviser called the "quest for the public". "When we started to build Europe, the word 'European' began to lose its substance," he says, adding –

No one spoke about us any longer as Europeans, because the world of the Cold War was divided into three: West, East and the Third World. The word 'European' took on an ideological meaning. 'The Europeans' became the builders of Europe, those of the inner sphere [defined in his book as the Community institutions] rather than the outer sphere [that of the European continent as a whole]. This began to change with 1989 and the reunification of Europe, a historical shift, and with actions like flying the European flag or the Erasmus programme. In a certain way, we're still unable to see ourselves as Europeans, unless we go somewhere else in the world. But even if the crisis is creating new tensions between peoples, these tensions arise from being European.

This crisis, and these tensions, as we know, have been testing the institutions and governance of the EU for the past three years. How does the author of the *Transition to Europe*, written in 2009, analyse this evolution?

The decision-making process is the same. The European Council continues to take on the exceptional cases. The difference is that this is stretching into the long term. However, there is a more profound shift underway. The Greek crisis has tested the Community method, in the sense that the Union is now searching for another kind of decision-making. Time is too short to be able to call for a White Paper on the sustainability of public finances. We have to work outside the rules, at least at first, and then to absorb the shock, for example by integrating institutions. The result of the decisions of the heads of state and government is that the European Commission has more power than ever, for supervision, recommendation and implementation. The European Council remains involved as a place where different national policies can be coordinated. After the crisis, there are two hypotheses for what will happen: either we go back to what we had before, with the Council taking a back seat, or we realise that something has changed. No doubt, we will not escape a stronger coordination of economic policies.

Would the 27 have handled the crisis differently without Herman Van Rompuy, the president of the European Council, the Luuk van Middelaar's boss? "We would have had the rotating Presidency of the Council," van Middelaar answers, without going on to clarify that, apart from Poland, no major country has chaired the Council – only Ireland and Cyprus, which have been weakened, and Hungary, which has been largely discredited. "The Lisbon Treaty [establishing the post of president of the Council] entered into force just when the crisis erupted. The crisis and this change have played a role." It's difficult, therefore, to assess the contribution of Van Rompuy openly.

And, looking at his own work, what lesson has the philosopher learned from his experience? "When I wrote *Transition to Europe* I thought the decisive events would come from outside the EU, not inside. But they confirm my analyses of the event-driven nature of European policy. Policy is something felt in the present, but also the future.

Gay marriage

And now on to polygamy

Apr 8th 2013, 14:30 by M.S.

76,42



THE excitement over the Supreme Court [arguments on gay marriage](#) has probably died down until the court comes back with a decision. And what with a [majority of senators now in favour](#), it certainly looks like, whether by judicial or legislative action, gay marriage is on a fairly rapid road to acceptance across America. So this moment, when fewer people are paying attention and it can't do too much harm, seems like a good time for people who support gay marriage to admit that there are a couple of arguments for it which they've always thought were wrong.

[Alexander Borinsky's article](#) in *N+I* takes up the issue from the perspective of a 20-something gay man who's not entirely comfortable with marriage advocates' campaign to show that gay people's sexual preferences are inborn and involuntary, and to present gay people as non-threateningly monogamous. Sexuality, he feels, is in part something you actively construct as part of the *bildungsroman* of your life, and that journey for a lot of gay people involves a bunch of sex with strangers. After the dissolution of a relationship led him to a period of screwing around, he writes:

...my promiscuity served a purpose. Abandoning myself to alcohol and flirtation felt like a salvific, if reckless, kind of machismo. Uncommitted sexual encounters meant self-reliance. I vividly remember leaving the house of a waifish, doe-eyed dancer from Devon who grinned and giggled and wore a ripped army jacket. It was around four thirty in the morning. The sex had been terrible, but outside was a lovely, warmish night. As I waited for the night bus I felt disappointed, embarrassed, and a little frightened. I also felt brave, dangerous, and grown...

The urge to prove that I could stand on my own two manly legs came, in part, from the language of helplessness that pervades most messages of gay acceptance: "It's okay that you're gay, because you were just born that way. It's no one's fault." Binging and [having sex] made my gayness into, yes, a "lifestyle" choice—not just a hormonal tic I couldn't help. I was a person making choices, not a sexuality unfolding itself.

Right on. And this kind of sentimental education isn't exclusively or even particularly gay. Who hasn't left the house of a waifish, doe-eyed dancer at 4:30 in the morning? Now, as a heterosexual, I enjoy the privilege of being able to declare that I greatly enjoyed the relatively few such evenings I experienced in my 20s and wish there'd been more of them, without worrying that anyone will then try to deny me the right to get married. But what I was doing, on those evenings, was just as much a volitional construction of my own sexuality and masculinity as what my gay friends were doing at the same age. Mr Borinsky forthrightly notes evidence that gay men are, on average, a lot more promiscuous than straights, which certainly comports with anecdotal experience. And so what? There's no logical or ethical need for proponents of legalising gay marriage to argue that gay men are just as monogamous as straight men, or to imply that being non-monogamous is in itself bad. There may be a *political* necessity to make that argument, but that's another story.

So there's one aspect of the pro-gay-marriage brief that deserves a mental asterisk. A second argument that has always been a bit weak has been the attempt to minimise the extent to which allowing same-sex marriages will change the definition of marriage for straight married couples. When conservatives have argued that gay

marriage would "[devalue traditional marriage](#)", the response has often been to ridicule the idea that straight people's marriages will change at all. ("[OMG! Marriage is now worthless!](#)") This isn't a serious response. Obviously the legalisation of same-sex marriage represents a major change in the institution and in the meaning of the word, much as the meaning of phrases like "all men are created equal" changed significantly when they began to be understood to include, say, women. For people who have a strongly gendered understanding of their own marriage, this is a paradigm shift. The government is now saying it understands marriage as a long-term legal commitment between two people who are assumed to have a sexually attached relationship to each other. Gender is irrelevant; marriage is simply a paired relationship. It's a big deal when social institutions change this way, and if conservative heterosexuals feel their marriages are affected, they're right, even when the way they phrase their complaints is wrong.

Which brings us to moderately off-the-mark argument number three. One of the assumptions that gay marriage calls into question, for many conservatives, is: why pairs, then? If not man-woman, then why not man-woman-woman, and so forth? Again, the response of gay-marriage proponents is generally ridicule. I don't think this is a ridiculous question. "Why can't you marry your dog, then?" is a ridiculous question; marriage, in our society, is between consenting adult persons. (Though states where girls can marry below the age of legal adulthood violate this premise, and show the traces of a premodern understanding of marriage as a reproductive contract between extended families that few Americans would say they support today.) But "why only two?" isn't a ridiculous question. It's easy enough to show that gay marriage does not *empirically* lead to pressure to legalise polygamy; that hasn't happened anywhere that gay marriage is legal. But this is different from explaining why opening up the boundaries of the 20th-century understanding of marriage *shouldn't* raise the possibility of legalising polygamy. Why shouldn't it be legal for more than two consenting adults to marry each other?

There are, obviously, a whole lot of societies in the world where polygamy is legal and normal. In fact the anthropological record suggests that the overwhelming majority of human societies have allowed men to have more than one wife simultaneously. I don't want to be taken to be making a creepy dirty-old-man argument in favour of polygamy. But the reflexive belief that polygamous marriages must be evil and oppressive even in societies where they are traditional is basically an expression of cultural prejudice. I would never want to be in a polygamous marriage myself, because I've grown up in the West and it seems freaky and inegalitarian to me; but for people who grew up in Yemen, or in Swaziland, or in Vietnam before the 1950s, that is not necessarily the case. Women in polygamous societies may decide to become a rich man's second wife rather than a poor man's only wife, and do not necessarily feel oppressed by that choice. Their children usually turn out well-adjusted. To take the typical paradigm-upender, if you imagine a Sudanese man with two wives (and children by each of them) who wins the Green Card lottery and is told he has to divorce one of his wives before coming to America, you have to wonder whose interests the government thinks it is defending.

And yet modernisation in almost every country seems to entail a shift from polygamy to monogamy. This is actually something of a puzzle, according to "[The puzzle of monogamous marriage](#)", a paper published last year by Joseph Henrich of the University of British Columbia, Robert Boyd of UCLA, and Peter Richerson of the University of California Davis. It's particularly confusing, they note, in that in any polygamous society, the most powerful men are likely to be the ones who benefit from polygamy. How does a society make a shift in norms that greatly disadvantages its most powerful members? Their argument is that in the case of Europe, the dynamic that led pagan, polygamous Germanic tribes to shift to monogamy and Christianity was competition between proto-states at the group level. In polygamous societies, high-status men marry a disproportionate share of the women, leaving low-status men to fight and scramble for the rest. Monogamous European societies outperformed polygamous societies economically and on the battlefield, the argument runs, because low-status males in polygamous societies were more often engaged in debilitating violence against each other. So monogamous Christian societies defeated and converted polygamous heathen ones, and monogamy gradually spread.

Now this argument may well be wrong. But any other plausible explanation is likely to be similar in that it explains the transition in terms of enhancing the economic welfare and institutional reach of monogamous cultures and states. Monogamy thrives in the service of power. Having grown up in a monogamous society, we respond instinctively to its myths: the brilliant state-building legend of Romeo and Juliet, "one girl, one boy" (to quote the Leonard Bernstein version), the might of the sovereign ("[the Prince expressly hath forbidden bandying in Verona streets!](#)") decreeing that marriage as a tool of clan alliance or rivalry will make way for

marriage as a pairing of two autonomous individuals in a romantic attachment, answerable to no one but the law. This is the way the state will recognise sexual bonding, because this is the codification of sexual bonding that makes for the strongest state. We absorb these norms, we learn to embrace them, we thrill to them from the age when we watch our first Disney film. Today, gay men and women want to have their sexual bonding embraced within the same norms, to achieve equality, and that's their right. But my guess is that the real answer to the conservative question "why not more than two people, then?" is that we will stick to pairs because marriage is a creature of the state and pairs are the form that makes the state strongest. Nobody, though, gays or conservatives, finds this way of thinking about the issue very appealing, so it probably won't get much play.

De l'Allemagne“ im Louvre

Aus tiefem Tal direkt zu Riefenstahl

08.04.2013 · Was für ein Bild von Deutschland entwirft die Ausstellung „De l'Allemagne, 1800 - 1939. Von Friedrich zu Beckmann“ im Pariser Louvre - und warum?

Von [Niklas Maak](#)

76,45



© Louvre, Paris Haarige Kämpfer, dunkle Begierden: Franz von Stucks „Kampf ums Weib“ von 1905 liegt ganz auf der Linie der Ausstellung.

Zu den wenigen Dingen, die in Paris gerade von einer Annäherung im merklich abgekühlten deutsch-französischen Verhältnis künden, gehören in dieser Woche die Cover der Zeitungen, die am Kiosk vor der Pariser Metrostation Palais Royal ausliegen: Auf dem Titel der „Zeit“ schaut einen Hitler an, auf dem Cover des französischen „Le Point“ guckt ebenfalls Hitler in die Ferne, die Titelthemen dort sind „Der Führer und die Frauen“ sowie, ebenfalls mit Hitlers Gesicht illustriert, „Der Aufstieg der Neonazis in Griechenland“. Nicht weit dahinter, an der Fassade des Louvre, wirbt ein großes Transparent für die Ausstellung „De l'Allemagne, 1800- 1939. De Friedrich à Beckmann“. Die Ausstellung ist eine deutsch-französische Kooperation. Sie wurde, unter der Schirmherrschaft der Bundeskanzlerin Merkel und des Staatspräsidenten Hollande, vom Deutschen Forum für Kunstgeschichte in Paris konzipiert und vom Louvre inszeniert - aber nichts ist gerade einfach zwischen Deutschland und Frankreich.

Schon bevor die Schau eröffnet wurde, war zu hören, dass es größere Auseinandersetzungen zwischen den Kunsthistorikern des Forums und dem Direktor des Louvre, Henri Loyrette, darüber gab, wohin die Erzählung von der deutschen Kunst, die man hier entwarf, führen und wie man sie inszenieren sollte. Mitarbeiter des Forums berichten, dass sie, als die Ausstellung aufgebaut wurde, keinen Zutritt zum Louvre erhielten und, als sie doch hineindurften, erstaunt bis entsetzt waren, was aus ihrer Schau geworden war - nämlich die Bildergeschichte eines abgründigen, von starken dunklen Kräften gebeutelten Landes, das über die Romantik, die bizarren Welten Böcklins und einen grünstichigen Expressionismus hindurch mehr oder weniger geradlinig auf den Nationalsozialismus zusteuerte.

In Frankreich selten zu sehende Kunst

„Schon die Unterteilung der deutschen Kunst in eine apollinische und eine dionysische Richtung stammt nicht von uns und ist meines Erachtens nicht hilfreich“, sagt Andreas Beyer, Direktor des Forums; sie sei vom Louvre ohne Rücksprache vorgenommen worden. Es geht hier also um mehr als den üblichen langweiligen

Krach unter Kuratoren: Der Louvre, so der Vorwurf, habe aus dem Material, das das deutsche Forum lieferte, seine eigene Geschichte Deutschlands gebastelt - und diese Geschichte bestätigt alle Klischees des romantisch-fremden, gefährlich dunklen Nachbarlandes.

_ 1/7 _



© Louvre, Paris

Die rund zweihundert Werke umfassende Ausstellung unterteilt sich grob in drei Kapitel. Mit dem ersten wollten die Kunsthistoriker des Forums einen Einblick in die in Frankreich selten zu sehende Kunst der deutschen Romantik geben und zeigen, wie sich von 1800 an auch in der Kunst ein Nationalgefühl konstituierte - vor allem dort, wo die antikisierenden Ideallandschaften der deutschen Klassik, die die Weite mediterraner Landschaften beschwören, abgelöst werden von den Landschaften eines Caspar David Friedrich, die eine wildere, erhaben-undurchdringliche, unbändig-maßlose Natur ins Bild setzen. In reißend tiefen Tälern und einsamen Wäldern zeigt sich eine Kraft der Natur, gegen die ein paar Burgruinen, Kirchen, Kreuze und andere menschliche Anstrengungen nichts vermögen, was nicht bloß im Sinne einer melancholisch-immersiven Vanitasästhetik gelesen werden muss, sondern man auch als Allegorie einer Befreiung von alten Besetzungen interpretieren kann.

Eigenartige Schlagseite

Dass das eine das andere nicht simpel ablöste, zeigen Leo von Klenzes Gemälde einer idealen Akropolis von 1846 ebenso wie sein zehn Jahre zuvor entstandenes Bild der Walhalla und zahllose Mittelalter-Beschwörungen. Die düster-phantastischen Werke Carl Philipp Fohrs und Ernst Ferdinand Oehmes, auf denen goldbeflügelte Ritter in rätselhafter Mission durch glitzerndes Unterholz zu Hütten und Felsenburgen reiten, zeigen, woraus sich die Fantasy-Ästhetik des zwanzigsten Jahrhunderts speist. Dieses komplexe Nebeneinander der Stile und Programme war den Louvre-Kuratoren aber offenbar zu konfus, weswegen sie die deutsche Kunst mit Verweis auf Nietzsche in „Apollinisches“ und „Dionysisches“ auseinander sortierten. Auf der einen Seite stehen so die Nazarener mit ihrem „Apoll unter den Hirten“, auf der anderen Böcklin (der oft eher burlesk als dionysisch malt) und die haarigen Nackten, die sich bei Franz von Stuck um dragqueenhaft derbe Frauen prügeln. Das Label „dionysisch“ ebnet mit großer Geste alle Differenzierungen ein, die der fundierte, materialreiche Katalog macht - insbesondere die Beiträge von Bénédicte Savoy über die kulturelle Geographie Deutschlands sowie die Essays von Johannes Grave und Andreas Beyer, einem der wichtigsten Experten für europäische Romantik, sind erhellend.

Aber von der Jahrhundertwende bis zum Jahr 1939 ist noch eine Strecke zurückzulegen, und hier gibt der Louvre der Ausstellung eine eigenartige Schlagseite. Interessant ist noch, wie bestimmte Motive bis zu Menzel und in den deutschen Expressionismus hineinwirken. Was die Ausstellung danach zeigt, ist problematisch. Sie endet mit Leni Riefenstahls Film „Olympia“ von 1936, das jüngste Werk ist Beckmanns „Hölle der Vögel“ von

1938, auf dem eine vierbusige Schreckensfrau den Arm zum Hitlergruß erhebt. Aus dem Jahr 1939 gibt es kein einziges Werk; warum aber dann „1800-1939“?

Schicksalsschlag Nationalsozialismus

Loyrette, so heißt es im Forum, habe das Datum suggestiver gefunden. Für eine Stellungnahme ist im Louvre niemand zu erreichen. Entstanden ist so jedenfalls jene seltsam teleologische Konstruktion, die Beyer vermeiden wollte: Wer die Katalogbeiträge nicht liest und nur der Beschilderung der Schau folgt, gewinnt den Eindruck, dass die Deutschen sich nach einem kurzen Moment der Faszination für die Antike in ihre Wälder zurückzogen und dort, im grün vermoosten Dickicht, unter den giftigen Farben von Erde und Schimmel, gegen 1900 verrückt wurden, bevor sie schließlich im Nationalsozialismus wieder herausgekommen sind.

Deutsche Kunst wirkt hier nur noch als das Treibgut, das in einem reißenden, in seiner Richtung nicht zu beeinflussenden Schicksalsstrom unweigerlich auf das „Dritte Reich“ zutreibt, der Nationalsozialismus, mit dem die Ausstellung endet, erscheint als unvermeidlicher, sich in der Kunst prämonitorisch ankündigender Schicksalsschlag und nicht als politische Entwicklung, zu der es Alternativen gab. Diese Alternativen - ein Deutschland, das nach dem Ersten Weltkrieg auch unter dem Eindruck Frankreichs an das aufklärerische Potential der Romantik anknüpfte - kommen im Schreckenspanorama der letzten Räume viel zu kurz.

Ästhetischer Ruinenpark

Es gibt zwar die „Symphonie einer Großstadt“, aber kein Bauhaus, und Beispiele für eine Kunst, die den Geist der Weimarer Klassik in die Moderne führte, muss man mit der Lupe suchen - ebenso wie Werke von deutschen Künstlerinnen. Kein Bild von Paula Modersohn-Becker, nichts von Hannah Höch, überhaupt: kein Dada. Nichts von der bedeutenden Avantgardistin Anita Réé, die als Tochter eines jüdischen Kaufmanns in Hamburg geboren wurde, 1912 bei Léger in Paris das Aktzeichnen lernte und in Italien lebte, bevor sie als wichtige Vertreterin der Neuen Sachlichkeit nach Deutschland zurückkehrte, wo sie sich, diffamiert von den Nazis, 1933 umbrachte. An solchen Geschichten, die auch europäische Einflüsse deutscher Kunst verfolgt, ist man nicht interessiert. Deutsche Kunst ist, mit Ausnahme von Käthe Kollwitz, am Ende dieser Ausstellung vor allem grünstichige Herrenkunst am Rande eines Sonderwegs ins Verderben. Das polyglotte, auch von Frankreich geprägte Deutschland der zwanziger Jahre, für das etwa Anita Réé stand, findet sich gerade mal in einer Fotografie August Sanders und einem Gemälde Christian Schads.

Ansonsten erscheint deutsche Kunst mit den auch in Frankreich hinlänglich bekannten Gemälden von Dix und Grosz als Verarbeitung von Kriegsgrueln. Von einer Kunst, die sich nicht als ästhetische Bändigung unabwendbarer Schicksalsschläge und als bloßer Spiegel dunkler Katastrophen, sondern, wie Réés Bilder, auch als Vorschein eines anderen Lebens verstand, ist nichts zu sehen. Das düstere Panorama des Rheins von Anselm Kiefer, das ebenfalls Loyrette für die Ausstellung bestellte, vollendet das Bild der deutschen Kunst als eines ästhetischen Ruinenparks. Diese Kunst ist - anders, als ein Raum für Anita Réé es gewesen wäre - dabei nicht die kritische Beschäftigung mit dem Nationalsozialismus und seinen Folgen für die Kunst, als die sie unverdrossen verkauft wird, sondern hochästhetisierte deutsche Mythologie; man ergötzt sich mit leichtem Grusel an archaischem Ruß und Rauch, am Verkokelten, Waldigen des kantig-düsteren Stils.

Solche Beschwörungen eines unheilvollen Deutschlands sind selbst Zeitphänomene. Im interessantesten französischen Roman der letzten Jahre, Mathias Enards „Zone“, muss der Erzähler sogar vor der Akropolis an Albert Speer denken, und man muss weit zurückgehen, um einen französischen Roman zu finden, in dem Deutschland nicht dunkel oder zumindest seltsam, sondern eine Sehnsuchtsprojektion ist: In René Trintzius' „Deutschland“ von 1925 ist Berlin eine moderne Stadt voller Bauhaus-Villen und selbstbewusster Frauen, die mit Kurzhaarfrisuren und großen Cabriolets zum Sport oder ans Meer rasen durch ein glitzernd modernes, ganz anderes Deutschland, als es in diesen Tagen in Literatur und Ausstellungen entworfen wird. Wenn Ausstellungen Indikatoren eines kulturellen Klimas sind, dann ist das finstere Ende dieser ansonsten sehenswerten Schau - das Bild Deutschlands als einer von allen europäischen Entwicklungen losgekoppelten, undurchsichtig fremden, naturgewalthaft-gewalttätigen Macht - vielleicht auch ein Abbild jener Entfremdung, die auf dem Feld der Politik stattgefunden hat.

De l'Allemagne, 1800-1939. Bis zum 24. Juni im Louvre, Paris. Der Katalog kostet 48 Euro.

MAIN FOCUS

REFLECTIONS

El Huffington Post - Spain

Kostas Vaxevanis on the economic war in southern Europe

On Sunday, Greek [journalist Kostas Vaxevanis](#) was awarded the Julio Anguita Parrado prize for journalism in Córdoba in southern Spain. In his speech of thanks published in the left-liberal online paper Huffington Post he accuses German banks and businesses of waging an economic war in southern Europe: "Southern Europe is drowning in the crisis while Germany reels in the profits because southern Europe is buying German weapons, German cars and French technology. It was easy to get the loans for this because they were offered by the same bankers who want to punish southern Europe today. .. We are in living in an economic war. On one side are those who believe that the economy and the banks should control politics and people's lives. On the other side are those who want the opposite, that people's lives should determine the economy. People's lives cannot be held hostage by the markets. We cannot focus on saving numbers while people are dying. Europe is not what Frau Merkel or the skyscrapers in the City of London dream of. Europe is Greek and Spanish culture, Italian music and contemporary French philosophy." (09/04/2013)

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

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Der Tagesspiegel - Germany

For Fabian Leber the Euro crisis has completed German unification

Talk about the differences between the East and West Germans has all but ceased, and it's all thanks to the euro crisis, writes Fabian Leber in the liberal daily Tagesspiegel: "One hardly hears anyone talking about the new federal states any more, 'the wall in people's minds' has disappeared from debate. ... We hardly differentiate between East and West nowadays, the new dividing line is very much between [North and South](#). ... Ten years ago people were still arguing over whether West German-East German economic unity was a mistake. Today when we talk about the problems of an economic union, people think of something very different. ... Unification made the West Germans more frugal. And the East Germans are now seeing that they are more valuable to the citizens in the West than all the Italians and the Greeks put together. Between 80 and 100 billion euros flow into the East every year - a sum which the Mediterranean states can only dream about. Perhaps this is just a huge stroke of luck for East and West Germans alike. Had the Wall collapsed at the same time as the banking and financial crisis occurred, our unification would have looked very different." (09/04/2013)

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

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"Down With Reform" (Is there a right to be badly managed?)

Submitted by [Tyler Durden](#) on 03/01/2013 15:39 -0400

Authored by Charles Gave of [GKResearch](#).

Italian electors' rejection of Brussels-imposed economic diktat is an extraordinarily important moment in the history of modern Europe - perhaps the best political news since the fall of the Berlin Wall. **Given the power of unelected technocrats, it is easy to forget that sovereignty in Europe still resides with the nation state as expressed through elections.** The problem for those unelected officials who conspired to capture the political system - think Jacques Delors, Jean Claude Trichet or Mario Monti - is the obvious failure of their great project. **For the first time a majority of electors has decisively voted against the euro and rejected policies imposed by technocrats.**

As usual, the proponents of technocracy claim that the Italian vote changes nothing substantively and soon it will be business as usual. This is the standard response whenever European electors express disagreement (think of referendums in Ireland, France, and Holland..) and upset this freedom-killing project. Since more than half of Italian voters chose parties with an overt anti-euro stance, I would beg to differ.

The euro project is a financial Frankenstein which could not and has not worked; this Italian vote may mark the beginning of the system's ultimate demise. Italy is different from other European problem economies since it runs a primary budget surplus, a current account surplus and finances most of its debt internally. Hence, Italy can leave the euro tomorrow and be much better off. Italians have led the way and soon the Spaniards, French and the Portuguese will reject this slavery in order to achieve "reforms" whose only purpose is to make a dysfunctional system work.

But let us stop and consider what these technocratic elites mean by "reform"—an end which is apparently worth so much suffering. To translate their bureaucratese into a commonly understood language let's first define the different groups which compete for resources and influence in the modern European context:

1. The fellows who want to take care of themselves and be left alone - i.e., the entrepreneurs and those working in the private sector. These guys and only these guys create economic growth.
2. Those who want someone else to look after them. These fellows tend to work in the public sector or be retired and can be called the "new rentiers." These guys want to lead a stable and uneventful life.
3. The fellows who want to lead their inferiors to a better future because they are smarter and know what is best. Borrowing from Thomas Sowell, I will call them the "anointed" since they very often have a very special relationship with their God, a kind of idol which they call by a strange name: the State. **These guys have one and only one objective: the growth of their own political power.**

Europe's anointed decided a long time ago that we had too many little gods in Europe (The French State, the Italian State, the German State, etc.) and we needed to move to monotheism, thereby creating a European State or an altar where everybody could properly worship. Previously, each little individual god had its own "money," with the peseta, drachma, French franc, etc., used by the local citizens to pay their dues to the local god. But as the French free market economist Jacques Rueff said, "a currency is a sewer in which unearned income is collected." In other words, if compensation is awarded even when nothing of value is produced, such "unearned income" will in time drag down the value of the currency.

The stuff that gets distributed through the sewage system varies greatly from one country to the next. Take the example of Italy, a strange country (which I love dearly) if there ever was one. The north has a large community of entrepreneurs, and the south a majority of "new rentiers". Up until 2000, Italy had a simple way of solving this problem. Massive transfers were made from the north to the south in the local currency, while the fellows in the north were effectively paid in deutschmarks. From time to time, the lira was devalued which guaranteed that the fellows in the north remained competitive against their German competitors. Similarly, the

"new rentiers" received their retirement income in the local currency, which minimized transfers taking place between generations.

Balance was maintained since private sector salaries tended to be indexed (with a lag) to the DM, while retirement benefits and public sector salaries were paid in lira. The same thing happened in France, where an abnormally large part of the population (much higher than in Germany) wanted to be "rentiers" i.e. civil servants.

Because the French and Italian currency sewage systems had more waste to recycle than their German equivalent, the exchange rates adjusted accordingly and harmoniously downwards. As 19th century philosopher Ernest Renan noted a nation is defined by "a willingness to live together" - and every nation in Europe, for most of the post WW2 period, found a way to uphold its local social contract.

To cut a long story short, it is the constitutional right of every country to be badly managed if the survival of the social contract binding the population is at stake. Finding a way to live together is much more important than being well managed.

Unfortunately, this common sense formulation was never understood by the European zealots, who were intent on destroying the old gods to replace them with their new and unique god - a new Roman Empire. In this sense, the similarity with the USSR project is striking (see our discussion of a Christian Europe vs the new Roman Empire in [Was The Demise Of The Soviet Union A Negative Event?](#)).

The euro was created as a first step towards a new Roman Empire and the result was that Italians had to effectively transfer deutschmarks to the south. France was also forced to pay its innumerable civil servants in DM. Retirement benefits across the eurozone were effectively set in DM, which savaged the younger generations. The result was that local entrepreneurs lost competitiveness and peripheral eurozone economies started to go bankrupt. The euro has thus caused the probability of recurrent devaluations to be replaced by the certainty of national bankruptcy. This fate can only be avoided by a total surrender of national sovereignty to so called creditor nations, which is a remarkable achievement.

It is against this dreadful backdrop that the Italians have just voted.

However, the fact that the euro is a disaster has absolutely no impact on our "anointed." They are not interested in the well being of the local citizens, but are in fact missionaries for a faith. Since they are appointed from upon high, they are able to preach to the sinners and demand their repentance, i.e., that they should "reform". Monti, for example, was very big on preaching the "reform" sermon.

By "reform", our proselytizing elite mean the dismantlement of "national contracts" which had managed to unify each European polity. In their place, we have been granted a new social contract whereby the Germans pay for the Sicilian and French civil servants (read a "Federal Europe").

The Germans are not exactly keen on this idea, so in order to placate their own virtuous fellows, Berlin has offered to organize a world of ever falling salaries in southern Europe—to teach the sinners a lesson. For the lapsed southern Europeans, such collapses in their standard of living is the only way to stay competitive so long as the fixed exchange rate stricture remains. Compliance also implies dismantlement of all the social protections that the rentiers of southern Europe have over many years managed to secure.

As a Frenchman, as a European, I want a diverse Europe in which each nation is managed by its own elected people. If the nation chooses to be poorly managed—so be it, this is what democracy is all about. I am not interested in a Europe where the standard of living falls precipitously for a large part of the population, nor am I interested in humiliating what were once proud countries in the hope that they desert their old deities and accept a new god.

And neither do I want to be administered by unelected technocrats delegated by the northern Europeans on the flimsy pretext that my own politicians are useless; they may be hopeless, but I am entitled to have them that way.

What the eurocrats offer under the banner of "reform" is nothing of the sort but just an increase in their power and the destruction of the incredible diversity which made Europe an endlessly fascinating place.

It is time to return to market prices and democracy and to accept that technocracy cannot work. I love Italy more and more. Indeed, for the first time in years, I can envisage a situation in which I feel bullish on Europe.

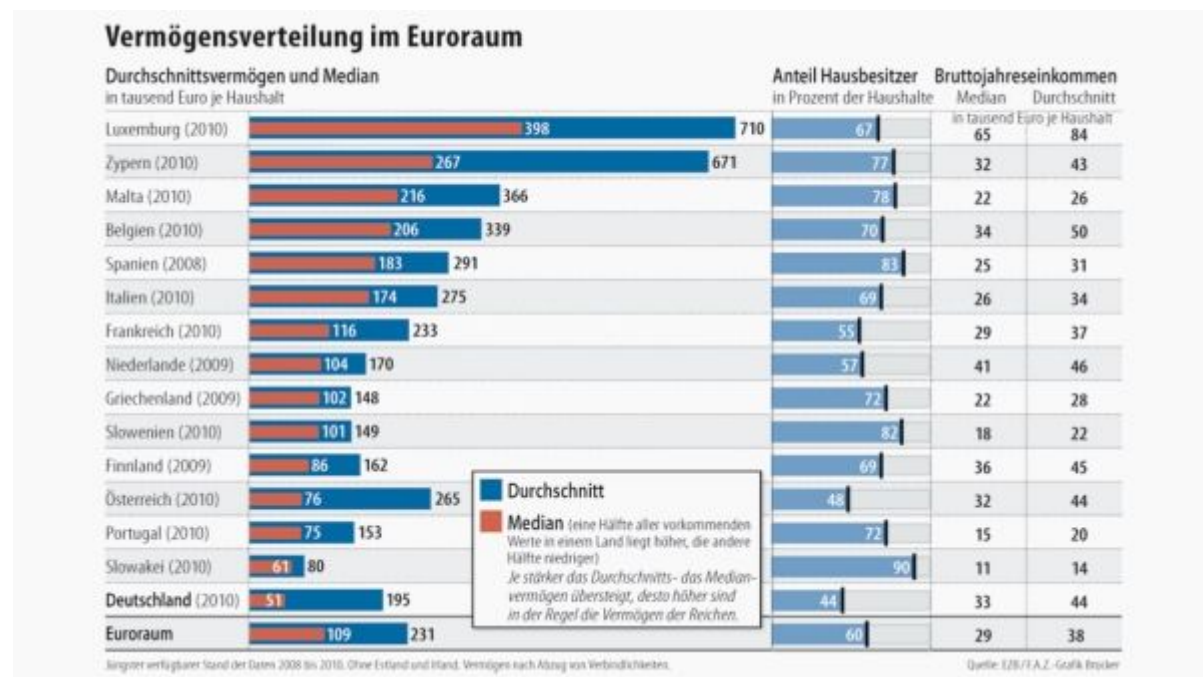
EZB-Umfrage

Deutsche sind die Ärmsten im Euroraum

09.04.2013 · Das Nettovermögen der Masse der deutschen Haushalte ist nach Daten der Europäischen Zentralbank niedriger als in jedem anderen Euroland. Das Medianvermögen beträgt hierzulande 51.400 Euro – in Zypern 266.900 Euro.

Von [Stefan Ruhkamp](#)

76,52



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Das ist eines der Ergebnisse einer mit Spannung erwarteten [Umfrage der Euro-Notenbanken](#) zu Armut und Reichtum in ihren Ländern. Das Median-Vermögen - eine Hälfte der Haushalte hat mehr, die andere weniger - beträgt im Euroraum rund 109.000 Euro, wobei die Daten für Irland und Estland noch nicht vorliegen. Hierzulande hat die Masse der Haushalte jedoch nicht einmal halb so viel. Das Median-Vermögen beträgt in Deutschland 51.400 Euro.

Angesichts der vielen Milliarden Euro an Stabilisierungshilfen für Länder wie Griechenland, Portugal und Zypern bergen solche Zahlen einigen politischen Sprengstoff. Das sei auch ein Grund, warum die EZB die Veröffentlichung der Daten so lange hinausgezögert habe, bis das Stabilisierungsprogramm für Zypern beschlossen wurde, heißt es in Notenbankkreisen. Zumal die Zypriern mit einem Netto-Median-Vermögen - also unter Einbeziehung von Gütern wie Schmuck und Autos und nach Abzug von Schulden - von 266.900 Euro je Haushalt zu den reichsten Europäern zählen. Die EZB begründet die relativ späte Veröffentlichung am Dienstag dagegen damit, dass die letzten Daten erst Anfang März eingetroffen seien und für die Studie noch einige statistische Arbeiten erforderlich gewesen seien.

Befragt wurden 62.000 Haushalte

Tatsächlich ist der Aufwand für die Studie immens. Befragt wurden 62.000 Haushalte, jeder im Durchschnitt etwa ein Stunde lang. Dabei gaben die Teilnehmer unter anderem Auskunft über ihr Einkommen, die Aufteilung ihres Vermögens, ihre Schulden sowie über Höhe und Laufzeit ihrer Schulden. Die EZB erhofft sich

von den Daten unter anderem Aufschluss darüber, wie sich wirtschaftliche Schocks auf die privaten Haushalte und ihr Verhalten auswirken.

Doch derzeit dürfte vor allem die politische Wirkung der Daten dominieren. Und so verwenden die Fachleute der EZB - wie schon einige Wochen zuvor [die der Bundesbank](#) - einige Mühe darauf, die Ergebnisse der Umfrage zu relativieren. Ein gängiges Argument ist dabei der starke Unterschied bei der Häufigkeit von Immobilieneigentum. In Ländern, in denen besonders viele Menschen ein Haus oder eine Wohnung besitzen, ist auch das Vermögen meist größer. In Österreich zum Beispiel ist ein großer Anteil der städtischen Wohnungen - in Wien wohl mehr als die Hälfte - im Besitz der öffentlichen Hand. Diese Art von Vermögen taucht in den Statistiken über die privaten Vermögen nicht auf.

Zudem könne der Zeitpunkt der Befragung eine Rolle spielen. Ermittelt wurden die meisten Daten im Jahr 2010. Damals war die Spekulationsblase etwa auf dem spanischen Immobilienmarkt noch nicht geplatzt. Im vorangegangenen Jahrzehnt waren die Häuserpreise in Spanien stark gestiegen, während sie in Deutschland stagnierten, erläuterten die Statistiker der Notenbanken am Dienstag. Auch die durchschnittliche Haushaltsgröße beeinflusse das Bild von den Vermögensverhältnissen. In Deutschland verteilt sich das Vermögen je Haushalt im Durchschnitt auf gut zwei Personen (2,04) in Zypern auf knapp drei (2,76) und im Durchschnitt des Euroraums auf 2,32.

Um den Einfluss der Hauspreise und der Häufigkeit von Hauseigentum auf die Vermögensverteilung zu illustrieren hat die EZB auch eine um diese Faktoren bereinigte Statistik veröffentlicht. Nehme man nur die Umfrageergebnisse der Hauseigentümer - in Deutschland sind das etwa 40 Prozent der Haushalte - und verwende zudem Immobilienpreise von 2002 statt 2010, ergebe sich ein anderes Bild. Dann liege Deutschland über dem Durchschnitt und Zypern entspreche mit dem Medianvermögen dem Durchschnitt.

Ihre im Vergleich unerfreuliche Vermögensposition werden die Teilnehmer an einer Umfrage des Meinungsforschungsinstituts Forsa noch nicht gekannt haben. Nach dieser Studie ist die Zustimmung der Deutschen zum Euro [im vergangenen Jahr deutlich gestiegen](#). 69 Prozent der Befragten hat sich demnach dafür ausgesprochen, den Euro zu behalten, 27 Prozent wollen die D-Mark zurück. Im vergangenen Jahr hatte sich noch jeder zweite Deutsche gegen den Euro ausgesprochen.

George Soros: Germany must choose between eurobonds or euro exit

- [Nils Pratley](#)
- [The Guardian](#), Tuesday 9 April 2013 21.04 BST

76,54



George Soros says the introduction of eurobonds would help to resolve the crisis for the 17-nation bloc, with or without its strongest member, Germany. Photograph Pascal Lauener/Reuters

[George Soros](#) was wasting his time in going to Frankfurt to persuade Germans of the merits of eurobonds. Anything that smells remotely like the pooling of debts within the eurozone is off-limits for political debate in [Germany](#), at least before the autumn election. German voters are not in a mood to guarantee jointly the debts of politically rudderless Italy.

And Soros's second suggestion – that Germany itself should leave the eurozone – is also a non-starter. That would not be defined by chancellor Angela Merkel as a successful way to save the single currency.

Yet Soros's speech should not be dismissed as an irrelevant ramble. It starts from two accurate premises. First, that the [euro](#) crisis is far from resolved, as recession and Cyprus demonstrate. Second, that Germany, whether it likes it or not, is in the driving seat and the present course amounts to "doing the minimum to hold the euro together".

So Soros is right that something has to give to secure the euro's survival. But it's wishful thinking to believe Germany is ready to choose either of his options.

Portugal's bailout

Austerity plans overturned

Apr 9th 2013, 14:40 by P.W. | LISBON

76,55



“JUDICIAL time is not the same as political time, much less media time.” This was how Joaquim Sousa Ribeiro (pictured above), president of Portugal’s constitutional court, responded to journalists who wanted to know why citizens had been kept waiting for more than three months (and the media for several hours) for a ruling that could determine the success or failure of the country’s €78 billion (\$102 billion) bail-out programme.

Minutes earlier, on the evening of April 5th, Mr Sousa Ribeiro had read out a summary of the decision, as his 12 fellow judges, dressed in black robes, sat in rows in the 19th century Lisbon palace where the court is based. He looked solemn and uncomfortable in the unaccustomed glare of the television lights.

The rare attention given to the workings of the little-known court was commensurate with the repercussions of its long-awaited decision. By ruling that four government austerity measures, including planned cuts in public-sector pay and state pensions, were in breach of the constitution, the court has blown a €1.3-billion hole in the 2013 budget. It has raised the possibility of another bail-out crisis in southern Europe while the dust is still settling on the rescue of Cyprus’s banks.

As well as political opposition and growing resistance from austerity-weary voters, Pedro Passos Coelho, Portugal’s prime minister, now has to deal with a legal obstacle to the adjustment programme Portugal agreed with the European Union (EU) and the IMF in May 2011. By April 12th, when EU finance ministers meet in Dublin, Lisbon needs to flesh out the details of sufficient new cuts in health, education and social security to convince international lenders that it can keep the programme on track.

In question is a possible delay in the payment of the next €2 billion instalment of rescue funds and the potential postponement of a long-awaited decision on giving Portugal more time to pay back its bail-out loans, which currently mature in 2016 and 2021. Both Mr Passos Coelho and the IMF believe giving Portugal seven more years to pay the money back is essential to ease its path towards regaining full access to international bond markets, which was supposed to happen by September, but now looks increasingly unlikely. Some euro zone countries, especially Germany and Finland, may want to take a good look at Lisbon’s alternative measures before signing off on longer loan maturities. Any postponement of the decision, which had been expected at the Dublin meeting, could also affect Ireland, which has made a similar request jointly with Portugal.

The prime minister has not minced his words over the court ruling, a rejection of government measures already approved by parliament that would be unthinkable in many other European countries. He accused the court of creating “serious risks” for the bail-out programme and suggested the judges had shirked their responsibilities by failing to take into account the “national emergency” Portugal faced.

However, the ruling can also be interpreted in ways that favour Mr Passos Coelho's political agenda, which involves permanently cutting back the size and cost of the state. Aníbal Cavaco Silva, the president, opposition parties and other groups asked the court to scrutinise nine measures from the government's 2013 budget and determine if they were in breach of the constitution. This was drafted in 1976, two years after the military overthrow of the Salazar-Caetano regime, and has twice been amended.

The court ruled that cutting public-sector wages and state pensions by eliminating one of the 14 instalments in which they are paid (most Portuguese workers receive an extra month's pay in the summer and at Christmas) flouted a constitutional requirement for the equitable treatment of public and private sector employees and pensioners. It also ruled against planned cuts in sickness and employment benefits, arguing that reductions cannot be applied to minimum levels already established in law. This means the state will have to pay back about €37m to those whose benefits have been cut since January, when the budget came into force. Having to pay the "14th month" will swell the gap in the budget to €1.3 billion or 0.8% of gross domestic product.

What of the measures the court did not throw out? Many had expected it to reject a planned "solidarity" tax on pensions above €1,350 a month, a levy that is hitting relatively affluent retirees hard. By upholding this tax, legal experts say the court has established that pension contributions do not amount to a sacrosanct right to a certain levels of pension, clearing the way for important social security reforms. In a [report](#) published in January, the IMF said Portugal's state pensions, which represent 14% of GDP and account for 80% of social payments, were the main driver of increased government spending over the past decade.

Even the rejection of the "14th month" for state workers and pensioners could work in Mr Passos Coelho's favour. The government was committed to reducing spending by a €4 billion (about 2.4% of GDP) by the end of 2015. The court ruling has lifted that amount to €5.3 billion. This means large-scale redundancies among the 600,000 people (12.4% of the workforce) employed by the state. More than half of them work in education or the security forces, the two areas where the IMF says excess employment is concentrated.

In determining that government policy cannot unduly discriminate between the public and private sectors, the court appears to have authorised the government to remove the lifelong job-security enjoyed by state workers and expose them to the same labour rules as the private sector. This could make public sector dismissals easier and less costly, if no less painful for a country where unemployment is moving towards 19%. If Mr Passos Coelho decides to put this theory into practice, he will almost certainly have to wait, in judicial time, for another ruling from the constitutional court.

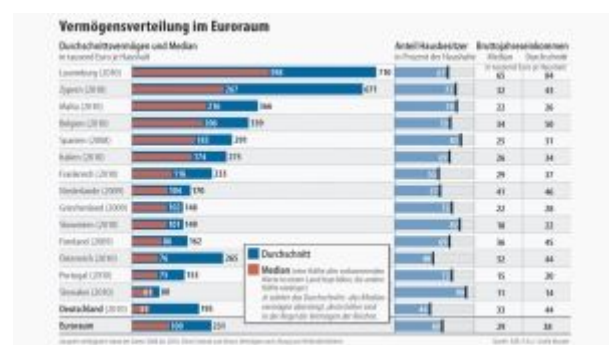
Kommentar

Arme Deutsche

09.04.2013 · Es sind unglaubliche Fakten: Gemessen am mittleren Haushaltsvermögen liegt Deutschland nicht irgendwo im Mittelfeld, sondern ganz unten. Die veröffentlichte Meinung zeichnet stets das gegenteilige Bild. Warum?

Von [Holger Steltzner](#)

76,57



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Vermögensverteilung im Euroraum

Die EZB hat die brisanten Daten zur Vermögensverteilung der Euro-Europäer lange zurückgehalten. Nachdem sich der Eindruck verfestigt hat, Zypern habe sich ohne Einsatz von 10 Milliarden Steuergeld aus anderen Ländern durch Zugriff auf große Bankeinlagen quasi selbst „gerettet“, lässt die EZB die Bombe platzen. Die Zypriern sind mit 267.000 Euro nach Luxemburgern und vor Maltesern die zweitreichsten Europäer.

Der Versuch der EZB, die erstmals von amtlicher Seite erhobene Vermögensverteilung zu relativieren, ändert nichts an den unglaublichen Fakten. Gemessen am mittleren Haushaltsvermögen (Median) liegt Deutschland nicht irgendwo im Mittelfeld, sondern ganz unten. Mit 51.000 Euro sind Deutsche sogar die ärmsten Europäer; sie sind halb so reich wie die Griechen. Zusammen mit den nicht ganz so armen Slowaken, Österreichern und Finnen haften sie in unvorstellbarem Ausmaß für Staatsschulden Südeuropas, in denen die Privathaushalte viel reicher sind.

Die politische Wahrnehmung und die veröffentlichte Meinung zeichnen stets das gegenteilige Bild. Warum? Wieso sind die Vermögen der Europäer in Brüssel tabu? Ist es politisch schon unkorrekt, dies zu fragen?

PROJECT SYNDICATE



George Soros (cf Spiegel April 10)

George Soros is Chairman of Soros Fund Management and Chairman of the Open Society Foundations. A pioneer of the hedge-fund industry, he is the author of many books, including *The Alchemy of Finance* and *The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What it Means*.

Germany's Choice

09 April 2013

76,58

FRANKFURT – The euro crisis has already transformed the European Union from a voluntary association of equal states into a creditor-debtor relationship from which there is no easy escape. The creditors stand to lose large sums should a member state exit the monetary union, yet debtors are subjected to policies that deepen their depression, aggravate their debt burden, and perpetuate their subordinate position. As a result, the crisis is now threatening to destroy the EU itself. That would be a tragedy of historic proportions, which only German leadership can prevent.

The causes of the crisis cannot be properly understood without recognizing the euro's fatal flaw: By creating an independent central bank, member countries have become indebted in a currency that they do not control. At first, both the authorities and market participants treated all government bonds as if they were riskless, creating a perverse incentive for banks to load up on the weaker bonds. When the Greek crisis raised the specter of default, financial markets reacted with a vengeance, relegating all heavily indebted eurozone members to the status of a Third World country over-extended in a foreign currency. Subsequently, the heavily indebted member countries were treated as if they were solely responsible for their misfortunes, and the structural defect of the euro remained uncorrected.

Once this is understood, the solution practically suggests itself. It can be summed up in one word: Eurobonds.

If countries that abide by the EU's new Fiscal Compact were allowed to convert their entire stock of government debt into Eurobonds, the positive impact would be little short of the miraculous. The danger of default would disappear, as would risk premiums. Banks' balance sheets would receive an immediate boost, as would the heavily indebted countries' budgets.

Italy, for example, would save up to 4% of its GDP; its budget would move into surplus; and fiscal stimulus would replace austerity. As a result, its economy would grow, and its debt ratio would fall. Most of the seemingly intractable problems would vanish into thin air. It would be like waking from a nightmare.

In accordance with the Fiscal Compact, member countries would be allowed to issue new Eurobonds only to replace maturing ones; after five years, the debts outstanding would be gradually reduced to 60% of GDP. If a member country ran up additional debts, it could borrow only in its own name. Admittedly, the Fiscal Compact

needs some modifications to ensure that the penalties for noncompliance are automatic, prompt, and not too severe to be credible. A tighter Fiscal Compact would practically eliminate the risk of default.

Thus, Eurobonds would not ruin Germany's credit rating. On the contrary, they would compare favorably with the bonds of the United States, the United Kingdom, and Japan.

To be sure, Eurobonds are not a panacea. The boost derived from Eurobonds may not be sufficient to ensure recovery; additional fiscal and/or monetary stimulus may be needed. But having such a problem would be a luxury. More troubling, Eurobonds would not eliminate divergences in competitiveness. Individual countries would still need to undertake structural reforms. The EU would also need a banking union to make credit available on equal terms in every country. (The Cyprus rescue made the need more acute by making the field even more uneven.) But Germany's acceptance of Eurobonds would transform the atmosphere and facilitate the needed reforms.

Unfortunately, Germany remains adamantly opposed to Eurobonds. Since Chancellor Angela Merkel vetoed the idea, it has not been given any consideration. The German public does not recognize that agreeing to Eurobonds would be much less risky and costly than continuing to do only the minimum to preserve the euro.

Germany has the right to reject Eurobonds. But it has no right to prevent the heavily indebted countries from escaping their misery by banding together and issuing them. If Germany is opposed to Eurobonds, it should consider leaving the euro. Surprisingly, Eurobonds issued by a Germany-less Eurozone would *still* compare favorably with those of the US, UK, and Japanese bonds.

The reason is simple. Because all of the accumulated debt is denominated in euros, it makes all the difference which country leaves the euro. If Germany left, the euro would depreciate. The debtor countries would regain their competitiveness. Their debt would diminish in real terms and, if they issued Eurobonds, the threat of default would disappear. Their debt would suddenly become sustainable.

At the same time, most of the burden of adjustment would fall on the countries that left the euro. Their exports would become less competitive, and they would encounter heavy competition from the rump eurozone in their home markets. They would also incur losses on their claims and investments denominated in euros.

By contrast, if Italy left the eurozone, its euro-denominated debt burden would become unsustainable and would have to be restructured, plunging the global financial system into chaos. So, if anyone must leave, it should be Germany, not Italy.

There is a strong case for Germany to decide whether to accept Eurobonds or leave the eurozone, but it is less obvious which of the two alternatives would be better for the country. Only the German electorate is qualified to decide.

If a referendum in Germany were held today, the supporters of a eurozone exit would win hands down. But more intensive consideration could change people's mind. They would discover that the cost to Germany of authorizing Eurobonds has been greatly exaggerated, and the cost of leaving the euro understated.

The trouble is that Germany has not been forced to choose. It can continue to do no more than the minimum to preserve the euro. This is clearly Merkel's preferred choice, at least until after the next election.

Europe would be infinitely better off if Germany made a definitive choice between Eurobonds and a eurozone exit, regardless of the outcome; indeed, Germany would be better off as well. The situation is deteriorating, and, in the longer term, it is bound to become unsustainable. A disorderly disintegration resulting in mutual recriminations and unsettled claims would leave Europe worse off than it was when it embarked on the bold experiment of unification. Surely that is not in Germany's interest.

Germans Are Poor and Italians Are Frugal. Huh?

By [JACK EWING](#)

FRANKFURT — The Italians are the most prudent people in Europe. Spaniards and Greeks are not as badly off as their homelands' dismal economic statistics would suggest. And pity the Germans. They are poorer than the Cypriots they are helping to bail out.

Taken at face value, those are some of the surprising findings of an extensive survey of household debt and wealth conducted by researchers for the [European Central Bank](#) and published Tuesday.

But the first-ever survey, designed to promote better monetary policy by filling a major gap in knowledge about household finances in the euro area, came laden with caveats. Much of the data are several years old and it could be risky to draw too many conclusions.

For example, the data may make some countries appear richer than they really are, the E.C.B. study warned, because of differences in the number of people typically sharing a home and other factors. Cypriots have some of the largest households in the euro area, while Germans, on average, have the smallest. The survey of 62,000 households measured wealth, income and debt for households, not individuals, so a country with larger families living together might appear wealthier.

As a result, the figures should be “interpreted with caution,” the E.C.B. report said.

In addition, fewer than half of German households own their homes, in part because it is one of the few countries in the euro zone that does not grant a tax deduction for mortgage interest payments. Since homes tend to be Europeans' most valuable asset by far, the prevalence of renters makes Germans appear to have less net wealth than otherwise hard-pressed Spaniards. The rate of home ownership in Spain is more than 80 percent.

The average net wealth of households in Spain is €291,000, or \$380,000, compared with €195,000 for Germany. But it would be hard to argue that Spain, with official unemployment of 26 percent, is better off than Germany, with a rate of 5.4 percent.

And despite average net wealth of €671,000 per household, few would envy the Cypriots, whose banking system is in ruins and where the economy may be headed into severe recession. Wealth in Cyprus is also concentrated among a relatively small group.

Interviewers began collecting the data as early as 2009, so they do not capture most of the severe economic decline that has since taken place in countries like Greece, Spain and Portugal. In addition, survey participants were asked to estimate the value of their homes and might not have been accurate in countries like Spain where there have been huge declines in real estate values. The survey contains no data for two of the 17 members of the currency union: Ireland and Estonia.

But the survey does suggest that differences in standards of living in the euro area may not be as great as they are often assumed to be.

The survey challenges some other stereotypes as well. Although the Italian government suffers from a reputation for frivolous spending and dysfunctional politics, Italian households are the least likely in the euro zone to borrow money. About 75 percent of Italian households have no debt at all, according to the survey.

The survey could also fuel the sense of injustice among European policy makers when criticized by their American counterparts about their handling of the [debt crisis](#). By coincidence, the study appeared as the U.S. Treasury secretary, Jacob J. Lew, was touring European capitals urging leaders to do more to promote growth.

According to the E.C.B. data, Americans are the ones with too much debt. In the euro area, 44 percent of households have some kind of debt, compared with 75 percent in the United States. In addition, Americans as a group devote a much larger share of their income to paying interest on debt.

The E.C.B. said in a statement that the data would provide a more nuanced view of household finances and promote better monetary policy. For example, the E.C.B. will be able to better calculate the effect of an increase in interest rates on household finances.

“The ongoing and long-lasting economic crisis has made it more evident than ever that large structural imbalances may remain hidden” without such detailed data, the E.C.B. said.

Europe's Poorest? Look North

- EUROPE NEWS
- Updated April 9, 2013, 4:24 p.m. ET

76,62

ECB Survey Puts Southerners on Top in Household Wealth, Germans Near Bottom

By [BRIAN BLACKSTONE](#) and [NINA KOEPPEN](#)

FRANKFURT—German households are among the poorest—on paper, at least—in the euro zone, according to a study by the European Central Bank that adds a new twist to the debate over how far taxpayers in Northern Europe should go to support weaker countries.

The ECB's findings, released Tuesday, don't give the full picture of a society's living standards, which are affected by things like social protection and infrastructure as well. It also is based primarily on data from 2009 and 2010—early days in the still-festering euro crisis.

Most significantly, the report doesn't adjust for differing rates of homeownership, which is particularly low in Germany.

Nevertheless, the report offers a reminder that citizens in some of the countries hardest-hit by Europe's debt crisis aren't as bad off as many believe.

The question of how much taxpayer money should be put up to bail out governments in Greece, Cyprus and Portugal tops the political agenda in Germany, Europe's biggest economy and financial backer.

The ECB's findings could encourage efforts to further involve the private sector in any future government rescues by imposing wealth taxes or losses on large bank deposits, which would reduce the price tag for Germany and others, analysts said.

The figures "clearly give more weight for bail-ins" of the private sector in countries that need assistance, said Carsten Brzeski, an economist at ING Bank in Brussels.

The report, compiled through a survey of over 60,000 households across the euro zone, shows a dichotomy between cash-strapped governments and a rich citizenry, as high private-sector wealth didn't prevent governments in Southern Europe from racking up large debts.

By one ECB measure of typical households, Germany is the poorest country in the euro bloc, behind even Slovakia and Portugal. A number of factors appear to have skewed the results, such as the emphasis on homeownership, household size and small-business ownership that favors countries in Southern Europe.

Income-based measures of well-being put Germany on stronger footing compared with its southern peers.

Figures released by the European Statistics Agency last month, for example, showed gross domestic product per person—a measure of income—in Germany was €29,000, or 119% of the EU average during 2010.

That compared with 87% in Greece, 101% in Italy and 99% in Spain. Of the 41 regions with a GDP per capita above 125% of the average, eight were in Germany.

Not surprisingly, households in Luxembourg topped the ECB study, with average net wealth of over €700,000 in 2010, the last year for which data are available.

Geographic Divide

Despite their smaller economies, countries in Southern Europe often have higher levels of household wealth than those in the core of the euro zone, where ownership rates for homes and small businesses are lower.

A look at some selected countries:

	MEDIAN HOUSEHOLD WEALTH IN THOUSANDS	HOMEOWNERSHIP RATES	SMALL-BUSINESS OWNERSHIP RATES
Cyprus	€267	77%	20%
Spain	183	83	14
Italy	174	69	18
France	116	55	9
Greece	102	72	10
Austria	76	48	9
Portugal	75	72	8
Germany	51	44	9

Notes: Dates vary by country in 2008-11; €1 = \$1.30; Household wealth defined as total assets minus liabilities such as outstanding mortgages, credit card debt and other loans. Source: ECB
The Wall Street Journal

But those in Cyprus were second, with average net wealth of around €670,000. Last month, the government there got a €10 billion (\$13 billion) rescue from the European Union and International Monetary Fund. As part of that bailout, large depositors in the biggest Cypriot banks face significant losses.

German households had on average just under €200,000 in net wealth. The figure was slightly lower in Finland and the Netherlands, where public opposition to bailouts of Southern Europe also runs high.

The median, or midpoint, of German households had just over €50,000 in wealth, the lowest in the euro zone. The median in Greece, was twice that, at €102,000, and five times as high as in Cyprus at nearly €270,000.

Median figures strip out the extremes of wealth and poverty, and are a better reflection of a typical, middle-class household.

There are additional factors, however, that inflated asset valuations in Southern Europe.

In Germany, mortgage interest isn't treated as favorably for taxes as it is in other parts of Europe. In addition, German banks typically require large down payments, depressing home-buying in favor of renting.

"The role of homeownership is sizable," the ECB said in its 113-page report.

The survey data also don't reflect the decline in the prices of homes and other assets over the past three years. Respondents estimated the value of their homes for the survey, so prices may have differed from the actual market value. Households are typically larger in Southern Europe than in Germany, an added boost to their assets.

And the report also doesn't fully incorporate certain pay-as-you-go pension programs that are typically used in Germany.

Still, the report was the ECB's first attempt to provide comparable wealth statistics across the 17-member euro zone. It defined wealth as total assets—including real estate, vehicles, bank deposits, investments and pensions—minus liabilities such as outstanding mortgages, credit-card debt and other loans.

MAIN FOCUS

Portugal seeks new austerity course

Portugal's Minister of Finances Vítor Gaspar on Monday ordered a freeze on all unplanned spending by ministries and government authorities after the country's Constitutional Court [rejected](#) parts of the Portuguese austerity programme. Portugal needs help from its European partners in the search for alternative austerity measures, some commentators write. Others believe that only growth policies can now save the country.

The Economist - United Kingdom

Court ruling puts bailout programme at risk

The [decision](#) by the Constitutional Court threatens to toss a wrench in the works of the Portuguese bailout programme, writes the blogger Charlemagne in the liberal business magazine The Economist: "The rare attention given to the workings of the little-known court was commensurate with the repercussions of its [long-awaited decision](#). ... It has raised the possibility of another bail-out crisis in southern Europe while the dust is still settling on the rescue of Cyprus's banks. ... In question is a possible delay in the payment of the next 2 billion euro instalment of rescue funds and the potential postponement of a [long-awaited decision](#) on giving Portugal more time to pay back its bail-out loans, which currently mature in 2016 and 2021. Both Mr Passos Coelho and the IMF believe giving Portugal seven more years to pay the money back is essential to ease its path towards regaining full access to international bond markets, which was supposed to happen by September, but now looks increasingly unlikely." (09/04/2013)

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

More from the press review on the subject [» EU Policy](#), [» Domestic Policy](#), [» Economy](#), [» Portugal](#)

Kauppalehti - Finland

Only growth can save Portugal

Portugal must rethink its ruthless austerity policy if it wants to emerge from the recession, the business paper Kauppalehti urges: "An extremely harsh austerity policy will nip any growth in the bud. And huge tax hikes won't provide the treasury with any relief either. Because if the people don't believe the future will bring better prospects, the recession spiral will continue. The hefty cuts [announced](#) by Portugal's Prime Minister Passos Coelho among other things in education are very short-sighted. If you save money on education, you can't expect the country to have qualified workers in the future. But now, from the ranks of the government, in addition to the talk of orthodox austerity policy we're also hearing voices espousing the ideas of Paul Krugman: if you believe the newspapers, a large incentive programme aimed at reviving Portugal's growth is now in the offing. Only growth can save Portugal. The times of living on credit are over, but you don't get very far on cuts alone." (10/04/2013)

[» to the homepage \(Kauppalehti\)](#)

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All available articles from [» Jari Saario](#)

Diário Económico - Portugal

Euro Group must meet Lisbon half way

Portugal must now convince the EU finance ministers at their informal meeting in Dublin on Friday that the adopted course will be adhered to and the austerity targets met, the liberal business daily Diário Económico writes, at the same time calling on the EU to comply with Lisbon's requests: "The shock waves of the ruling have reached Europe. ... The government is called on to find alternative measures to cover the gap of around 1.3 billion euros in the national budget. ... It must present concrete measures [in Dublin] and can't turn up empty-handed. However the Euro Group must also make concessions to Portugal regarding the [extension of the loan repayment deadlines](#). After the Greek debacle the EU can't afford to make any more mistakes. It is in Europe's interest that Portugal succeeds." (09/04/2013)

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

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

POLITICS

Libération - France

Hollande must launch a moral offensive

The disclosure of information concerning the assets of French politicians [ordered](#) by France's President Francois Hollande does not go far enough, the left-liberal daily Libération writes: "The president's plan won't be able to overcome people's distrust of politicians for at least three reasons. First of all, the decision to publish figures on ministers' assets was taken as an urgent measure in reaction to the [Cahuzac scandal](#). Secondly, as the wealth of spouses is not included in the declaration, it will only result in relative transparency. And thirdly, since this order was prepared in a rush, its implementation risks having a perverse effect: elected members of the National Assembly could be judged on the basis of their wealth rather than on their political merit. Public declarations on assets are a necessary but inadequate symbol. Now it's up to the government to launch a genuine project for making political life more moral by attacking the roots of the evil: irregularities in awarding public contracts, the accumulation of offices, tax fraud and corruption." (10/04/2013)

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

More from the press review on the subject [» Domestic Policy](#), [» Ethics](#), [» France](#)

All available articles from [» Éric Decouty](#)

REFLECTIONS

Spiegel Online - Germany

George Soros sees eurobonds as the solution to the crisis

Europe needs [eurobonds](#) to overcome the crisis, the Hungarian-born US star investor George Soros writes: "The danger of default would disappear and so would the risk premiums. The balance sheets of the banks would receive an immediate boost and so would the budgets of the heavily indebted countries. Italy, for instance, would save up to 4 percent of its GDP. Its budget would move into surplus and fiscal stimulus would replace austerity. Its economy would grow and its debt ratio would fall. Most of the seemingly intractable problems would vanish into thin air. It would be truly like waking from a nightmare. With some modification, the fiscal compact would provide adequate safeguards against the risks involved in a joint and several obligation. It would allow member countries to issue new eurobonds only to replace maturing ones, but nothing more; after five years the outstanding debt would be gradually reduced to 60 percent of GDP. ... It is up to Germany to decide whether it is willing to authorise eurobonds or not. But it has no right to prevent the heavily indebted countries from escaping their misery by banding together and issuing euro bonds." (10/04/2013)

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

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ECONOMY

Die Welt - Germany

Use private assets for euro bailout

The net wealth of German households is lower than in other euro countries, a study put out by the ECB has revealed. At 267,000 euros, the median wealth of Cypriot households is substantially above the German figure of 51,400 euros. For that reason private wealth should also be made use of for state bailouts, the conservative daily Die Welt argues, even though it identifies certain errors in the methodology of the study: "For example, the value of assets in Spain and Cyprus can be traced back to the [real estate bubble](#) in these countries, and is not at all an expression of a sustained increase in wealth. ... Nevertheless: even in the over-indebted states there is a huge amount of private wealth. That must be made use of to some extent in fixing the budgets of these states, before taxpayers in other countries are forced to fork out their money. In [Cyprus](#) this principle was applied for the first time, thanks to levies on high-value bank deposits. That must also hold for any future bailouts." (10/04/2013)

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Večer - Slovenia

Slovenia not saved yet

Slovenia's new [Prime Minister Alenka Bratušek](#) presented her plans for fighting the financial and economic crisis in her country in Brussels on Tuesday. According to EU Commission President José Manuel Barroso, unlike Cyprus Slovenia doesn't need help to solve its problems. But the financial markets remain unconvinced, the conservative daily Večer points out: "A growing number of international politicians and economic players are beginning to believe that we are not like Cyprus. We heard this repeatedly (in Brussels) yesterday. ... However these were the words of the politicians, and even if we voters would like to believe them, the financial markets remain sceptical. ... Aside from Slovenia's [sport triumphs](#), which the markets don't care about, the foreign media's coverage of us has been [very negative](#) in recent months. We will need a good few months to persuade the world that we are really in a position to solve our problems on our own." (10/04/2013)

[» to the homepage](#) ([Večer](#))

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All available articles from [» Jure Stojan](#)

To Ethnos - Greece

Athens must stop huge brain drain

More than 120,000 doctors, engineers, computer experts and chemists have left Greece since the [debt crisis](#) broke out in 2010, a recent study by Lois Labrianidis, a professor of economic geography, shows. The left-liberal daily To Ethnos calls for measures to stop this brain drain: "The Greek economy can and must produce and offer more complex products and services. This is the only way to substantially improve our international competitiveness. ... We have a well trained workforce thanks to which we can successfully compete with any other country. But we must change our attitude, adjust our economic model to the demands of the times and use our best weapon, our workforce, effectively." (09/04/2013)

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

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ABC - Spain

Southern Europe needs growth policy

Spanish Prime Minister Mariano Rajoy on Monday called for the powers of the ECB to be expanded in the fight against the economic crisis in Europe. Southern Europe's compliance with the austerity policy must finally be rewarded with measures to stimulate its economies, the conservative daily ABC demands: "Since the outbreak of the euro crisis the weaker countries of the monetary union have obediently followed Berlin's austerity and reform dictates. ... However the stagnation of Europe's economy demonstrates the need for measures that stimulate growth, in addition to the painful fiscal adjustments which have been implemented so far. [Portugal's relapse](#), [Greece's prolonged agony](#), [France's weakness](#) and the uncertainty regarding [Italy](#) are all proof that the crisis which is ravaging the Old Continent can't be overcome through stringent austerity alone. ... Austerity, yes, but paired with a growth policy." (10/04/2013)

[» to the homepage](#) ([ABC](#))

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Im Gespräch: Außenminister Westerwelle

„Die Fliehkräfte in Europa waren noch nie so groß“

10.04.2013 · Außenminister Guido Westerwelle spricht im F.A.Z.-Interview über die Folgen der Euro-Schuldenkrise. Pjöngjangs Kriegsrhetorik stuft er als „hochgefährlich“ ein. Waffenlieferungen an die Aufständischen in Syrien begegnet er weiter mit Skepsis.

76,66



© Lüdecke, Matthias Auf Konsolidierungskurs bleiben: Außenminister Guido Westerwelle (FDP)

Herr Minister, Nordkorea droht offen mit Atomangriffen. Ist das nur Maulheldentum eines unreifen Führers, ein großer Bluff? Wie ernst ist die Lage?

Allein die Kriegsrhetorik ist ein ernster Vorgang und verschärft die Lage auf der koreanischen Halbinsel und in der ganzen Region.

Wie groß ist die Gefahr der Eskalation?

Auch wenn wir bislang nicht davon ausgehen, dass der Beginn eines tatsächlichen Krieges bevorsteht: Das Vorgehen der Regierung in Pjöngjang ist hochgefährlich und in keiner Weise akzeptabel. Ich begrüße deshalb, dass nicht nur Partner im Westen, sondern auch andere Länder sich sehr verantwortungsvoll einlassen.

Sie meinen China.

Peking spielt eine konstruktive Rolle. Niemand hat ein Interesse an einer Eskalation. Man sieht, dass auch China über die Situation sehr besorgt ist.

Was ist denn das Kalkül Nordkoreas?

Vermutlich spielt Innenpolitik eine große Rolle. Es fällt auf, dass der neue Machthaber anfangs Öffnungssignale sendete. Möglicherweise hat das zu Gegenreaktionen bestimmter Kräfte geführt, die jetzt besänftigt werden müssen.

Welche Lehren sind aus dem Fall Korea für den Atomkonflikt mit Iran zu ziehen? Dass eine Politik der Eindämmung nicht anzustreben ist?

Die Lage in beiden Ländern ist sehr unterschiedlich. Was Iran betrifft, so haben die Atomgespräche in Almaty gezeigt, dass die Meinungsunterschiede noch groß sind. Dennoch: In der Sache wurde noch nie so intensiv diskutiert.

Vor einem Jahr noch schien größte Eile geboten, nun scheinen beide Seiten die Wahlen in Iran abzuwarten.

Mein Eindruck ist, dass in der Vergangenheit leider auch auf Zeit gespielt wurde. Ich glaube aber, dass eine diplomatische Lösung unverändert möglich ist. Die Wahlen in Iran sind ein Faktor, aber nicht der alleinige. Es geht darum, zeitlich, aber auch inhaltlich Brücken zu bauen, um eine diplomatische Lösung zu ermöglichen.

Sind wir denn heute einer Lösung näher als zu Beginn Ihrer Amtszeit?

Das wird die Zeit zeigen.

Das klingt nicht sehr optimistisch.

Es ist zurückhaltend. Die Frage ist eine dreifache: Gibt es in Teheran einen Sinneswandel? Gibt es ihn auch in maßgeblichen Teilen des Regimes? Und schließlich: Wann ist für das Regime dann der richtige Zeitpunkt, daraus Konsequenzen zu ziehen? Spätestens nach den Wahlen werden wir Antworten bekommen. Ich rate auch im Westen allen, die Gespräche nicht durch Kriegsszenarien unmöglich zu machen.

Den Satz „Alle Optionen liegen auf dem Tisch“ schätzen Sie nicht?

Es kommt darauf an, wer es sagt. Wenn es diejenigen sagen, die es immer sagen...

...Amerika...

...hat es einen anderen Klang, als wenn es diejenigen sagen, die damit ansonsten zurückhaltender sind.

Sie meinen Israel. Iran spielt auch im Syrien-Konflikt eine bedeutende Rolle. Sie haben, auch in der Debatte über Waffenlieferungen, vor der Gefahr gewarnt, dass Syrien Schauplatz eines Stellvertreterkrieges wird. Dabei ist das längst der Fall: Teheran, Ankara, die Golfstaaten - alle sind längst in Syrien aktiv. Washington, aber auch London und Paris stellen deshalb das Waffenembargo in Frage. Da Waffen ohnehin geliefert werden, muss man jetzt nicht dazu beitragen, dass die richtigen Gruppen sie bekommen?

Wir müssen die gemäßigten Kräfte der Opposition unterstützen. Wir tun das auf vielfältige Weise. Was Waffen angeht: Wie kann man sicherstellen, dass diese in die richtigen Hände gelangen? Die Geschichte lehrt, dass sich am Ende diese Waffen gegen uns selbst, gegen die Demokraten, richten können. Deshalb bin ich zurückhaltend.

Das Ergebnis dieser Haltung ist, dass Al Qaida beziehungsweise die Al-Nusra-Gruppe in Syrien an Boden gewinnt. Wird das Embargo nicht ohnehin Ende Mai auslaufen, da die EU sich nicht auf eine Verlängerung einigen wird?

Das beraten wir gerade. Das Sanktionspaket wurde absichtsvoll auf drei Monate begrenzt. Nichttödliche Ausrüstung darf übrigens schon jetzt geliefert werden. Ich halte es für erwägenswert, dass wir selbst defensive Güter zur Verfügung stellen, etwa Schutzwesten. Aber können die Befürworter von Waffenlieferungen die Frage beantworten, wie sicherzustellen ist, dass diese in die richtigen Hände gelangen und dort auch bleiben?

Fachleute sagen, je länger der Konflikt dauert, desto tiefer die Gräben, desto größer der Hass, desto schwieriger die Zeit nach dem Regimewechsel. Daher sei das Risiko der Waffenlieferung in Kauf zu nehmen, das Risiko eines noch längeren Zuwartens sei größer.

Dieses Argument muss weiterhin berücksichtigt werden. Dass aber in Syrien weniger Menschen sterben, wenn mehr Waffen geliefert werden, halte ich alles andere als für ausgemacht. Wir haben zwei Ziele: Einerseits wollen wir gemäßigten Kräften der Opposition helfen. Andererseits wollen wir einen Flächenbrand verhindern, der große Auswirkungen auf Irak, Jordanien, den Libanon, die Türkei und auch Israel haben könnte. Ich fürchte, dass im Denken mancher Islamisten Damaskus nur ein Zwischenstopp auf dem Weg nach Jerusalem ist.

Wie enttäuscht sind Sie über die Haltung Russlands im syrischen Bürgerkrieg?

Natürlich bin ich von der Haltung Russlands enttäuscht. Selbst mit Blick auf die nationale Interessenlage Russlands ist diese Haltung nicht überzeugend.

Was sagen Sie zum strategischen Partner Russland, der deutsche politische Stiftungen bei sich zu Hause gängelt?

Die jüngsten Vorkommnisse und der Umgang mit der Zivilgesellschaft in Russland sind bedrückend. Deshalb ist es wichtig, dass unsere Politik auf zwei Säulen steht: klare Botschaften, aber auch partnerschaftliche Angebote. Wandel ist nur über weitere Annäherung und Hinwendung möglich. Der Gesprächsfaden darf nicht abreißen, es könnte Jahre dauern, ihn wieder zu knüpfen.

Auch im Russland eines Wladimir Putin?

Der Umgang mit der Zivilgesellschaft und besonders mit Minderheiten im heutigen Russland berührt mich nicht nur als Außenminister, sondern auch persönlich. Und dennoch halte ich es für richtig, auf das Prinzip Wandel durch weitere Annäherung zu setzen.

Syrien ist nur das jüngste Beispiel für Uneinigkeit in der EU. Einmal abgesehen vom Streitfall Libyen, ist Frankreich auch in Mali zunächst allein vorgeprescht. Wie steht es eigentlich um die gemeinsame europäische Außenpolitik im Vergleich zu dem, was Sie vor dreieinhalb Jahren vorgefunden haben?

Die europäische Außenpolitik ist besser geworden, wenn auch noch nicht gut genug. Schauen Sie auf die Atomgespräche mit Iran, in denen Europa eine führende Rolle spielt, oder die Serbien-Kosovo-Gespräche unter Vermittlung von Lady Ashton. Der Europäische Auswärtige Dienst ist erst zwei Jahre alt. Haben Sie erwartet, dass die nationalen Außenministerien überflüssig würden? Das ist weder gewollt, noch wäre es sinnvoll. Es gibt auch unterschiedliche historische Herangehensweisen: Deutschland hatte anders als Frankreich nicht Tausende eigener Bürger in Mali. Umgekehrt vertritt Deutschland auch aufgrund seiner Geschichte eine Kultur der militärischen Zurückhaltung. Das ist nicht nur Teil meiner politischen Gene, sondern auch gelebter Ausdruck der deutschen Verfassung.

bleiben wir in Europa. Was beunruhigt Sie mehr: die wirtschaftliche Lage in Frankreich, die politische Lähmung in Italien, die Folgen des Verfassungsgerichtsurteils in Portugal oder die Krisen in Griechenland und Zypern?

Das Jahr 2013 wird die eigentliche Bewährungsprobe für Europa sein. Meine große Sorge ist, dass augenscheinlich einige versuchen, uns in den alten Trott des Schuldenmachens zurückzuführen. Das wird auch eine Hauptfrage bei der Bundestagswahl sein. Die deutsche Opposition möchte in Europa das Schuldenmachen erleichtern und dafür in Deutschland die Steuern erhöhen. So mancher in Europa lauert schon auf ein Ende der Konsolidierungspolitik. Das wäre aber genau der falsche Weg.

Was kann man tun, um das Auseinanderdriften zwischen Nord- und Südeuropa zu verhindern?

Ich kann mich nicht erinnern, dass die Fliehkräfte in Europa schon einmal so groß gewesen wären. Ich appelliere an alle, eigene Fehler oder Versäumnisse nicht mit Schuldzuweisungen in Richtung Brüssel oder Berlin vergessen machen zu wollen. Umgekehrt warne ich davor, in Deutschland den Euro zur Abwicklung freizugeben. Wer den Euro aufgeben möchte, würde viel mehr als nur eine Währung verlieren!

In Europa erwarten viele eine deutsche Führungsrolle. Gleichzeitig sieht sich Berlin alten Ressentiments ausgesetzt. Wie kann die Bundesregierung dem Dilemma entkommen?

Die Bilder einzelner Demonstranten mit antideutschem Zungenschlag sind nicht identisch mit der wirklichen Stimmung in europäischen Ländern. Es gibt auch viel Respekt für das erfolgreiche deutsche Modell der Sozialen Marktwirtschaft. Viele Europäer wollen gerade jetzt Deutsch lernen, die Goethe-Institute sind so gefragt wie nie. Antideutsche Töne dürfen nicht mit gleicher billiger Münze zurückgezahlt werden. Im vergangenen Jahr wollte ein Konservativer aus Bayern an Griechenland „ein Exempel statuieren“...

Sie sprechen von Markus Söder...

...kürzlich glaubte der Kanzlerkandidat der Opposition, er käme im Wahlkampf nicht ohne Beleidigungen von Nachbarländern aus. All das kommt wie ein Bumerang zurück. Es ist mir sehr wichtig, dass Deutschland nicht Dominanz ausübt, sondern durch Überzeugungskraft und eigenes gutes Beispiel führt. Denn wir leben nicht nur in Zeiten einer großen Bewährung, sondern auch in einer Prägephase für das Deutschland-Bild in Europa und in der Welt. Problematisch ist hier übrigens auch, wenn eine mutmaßliche terroristische Vereinigung über Jahre in Deutschland morden kann und es dann beim Prozess ausreichen soll, dass nationale Medien, nicht aber Vertreter der internationalen Öffentlichkeit ausreichend Zugang zur Verhandlung haben.

Wenn Sie einmal in die nähere Zukunft blicken, in die nächsten zwei, drei Jahre, wie viel Mitglieder wird die Eurozone dann haben? Weniger, gleich viel oder mehr als heute?

Wenn wir das Jahr 2013 meistern, wird auch das Interesse an der Eurozone wieder zunehmen. Es werden eher mehr und nicht weniger Mitglieder sein.

Das Gespräch mit dem Außenminister führten Klaus-Dieter Frankenberger und Majid Sattar.

Who's the eurozone's poorest, really?

Joseph Cotterill | Apr 10 08:38 | [23 comments](#) | [Share](#)

76,70

The figures provided in this report incorporate the best judgement available at this time. Nonetheless, caveats remain. The data for Cyprus appear not to be comparable with those for other euro area countries in a number of dimensions and should therefore be interpreted with caution. **However, once the above mentioned factors are accounted for, the net wealth figures for Cyprus appear less of an outlier...**

Yes, we can imagine why the ECB's first [Household Finance and Consumption Survey](#) might have wanted to make that clear at the outset. (Survey methodology [here](#).)

Possibly because of headlines like this, landing after the German-financed bailout of Cyprus:

[ECB Data: Cypriots On Average Three-Times Richer Than Germans](#)

More broadly, maybe, because of the miasma of fear and indignation over wealthy citizens, broke governments, wealth taxes, and who's bailing out whom, all these years into the eurozone crisis.

The headline was based on this table from the HFCS (but the median should be the one occupying us):

Table 4.1 Net wealth by demographic and country characteristics				
	Median Net Wealth (€1,000)	Mean Net Wealth (€1,000)	Share of Total Net Wealth (%)	Share of Households (%)
Country				
Belgium (2010)	206.2	338.6	5.0	3.4
S.E.	(7.0)	(11.8)		
Germany (2010)	51.4	195.2	24.3	28.7
S.E.	(3.2)	(11.9)		
Greece (2009)	101.9	147.8	1.9	3.0
S.E.	(2.5)	(5.0)		
Spain (2008)	182.7	291.4	15.6	12.3
S.E.	(3.8)	(9.2)		
France (2010)	115.8	233.4	20.4	20.2
S.E.	(4.0)	(5.8)		
Italy (2010)	173.5	275.2	20.6	17.2
S.E.	(3.9)	(8.1)		
Cyprus (2010)	266.9	670.9	0.6	0.2
S.E.	(17.3)	(56.5)		
Luxembourg (2010)	397.8	710.1	0.4	0.1
S.E.	(17.1)	(58.2)		
Malta (2010)	215.9	366.0	0.2	0.1
S.E.	(11.1)	(51.8)		
Netherlands (2009)	103.6	170.2	4.0	5.3
S.E.	(8.1)	(6.2)		
Austria (2010)	76.4	265.0	3.1	2.7
S.E.	(11.0)	(47.9)		
Portugal (2010)	75.2	152.9	1.9	2.8
S.E.	(3.0)	(8.1)		
Slovenia (2010)	100.7	148.7	0.4	0.6
S.E.	(11.3)	(11.5)		
Slovakia (2010)	61.2	79.7	0.5	1.4
S.E.	(1.7)	(2.0)		
Finland (2009)	85.8	161.5	1.3	1.8
S.E.	(2.1)	(1.9)		

Notes: This table reports statistics for household net wealth and its main components. The first two columns report median and mean values in euros; the third and fourth column show the share in total net wealth and the percentage share of various household groups in the population. Net wealth is defined as the difference between total (gross) assets and total liabilities (see Annex I for additional details on the definition of net wealth). For a description of definitions of the variables, see also HFCN (2011). Percentage shares may not sum to 100 because of rounding. See the annex of this report, as well as the document "Methodological Report of the Household Finance and Consumption Survey" for the definition of household and the household reference person. The rows labelled as "S.E." show standard errors, which were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates; see chapter 7 of the HFCS Methodological Report for details). For a definition of the classification variables, see the notes to Table 2.1.

The FT's [‘Cyprus ranks near top for household wealth’](#) is less frontal, the WSJ's [‘Europe’s Poorest? Look North’](#) rather more so, but they both talk about ‘indignation’ in the northern creditor countries of Euroland. (The NYT's [‘Germans Are Poor and Italians Are Frugal. Huh?’](#) stands on its own.)

Indeed, imagine if this report had come out *before*, or during, the negotiations over Cyprus.

Also imagine a populist in pre-election Germany, or in any northern creditor country, waving an interpretation of this report around in the future. It's not too difficult. It could help push the kind of wealth tax that was first aimed at both insured and uninsured depositors in Cypriot banks. That levy was deemed [“not smart”](#) in the end ([a stupid idea](#), you might say) and the pain was instead meted out to uninsured depositors of two banks through resolution and restructuring. But that might not always be the case. The genie is now out there.

But there is something not quite right in the figures here.

It probably also helps to look at median gross income alongside median net wealth. A table from the methodological report provides this, helpfully comparing the HFCS with [EU statistics](#) on Income and Living Conditions (nota bene — the latter focuses on low incomes, while the HFCS is designed to oversample relatively wealthy households):

Country	Median gross income HFCS, €	Median gross income EU-SILC, €	HFCS,
Belgium	34,000	35,000	97%
Germany	33,000	33,000	98%
Greece	22,000	24,000	92%
Spain	25,000	26,000	96%
France	29,000	36,000	81%
Italy	26,000	31,000	85%
Cyprus	32,000	34,000	94%
Luxembourg	65,000	66,000	98%
Malta	22,000	22,000	97%
Netherlands	41,000	43,000	95%
Austria	32,000	41,000	78%
Portugal	15,000	17,000	86%
Slovenia	18,000	23,000	78%
Slovakia	11,000	12,000	93%
Finland	36,000	36,000	101%

Cyprus itself doesn't come out as penurious here either. But overall, the income view looks a bit more like the north-south divide we're used to.

Okey-dokey, then we have to look at the reference year for most of the countries in the survey, which has drawn wealth statistics and national accounts from across eurozone member states and collated them together into something halfway comparable (by no means an easy task: Ireland and Estonia are also not included in this report). It is **2010**. Mostly. The numbers from Spain come from 2008.

So, you are a Spanish household, in 2008, sitting on a storied pile somewhere near Valencia. The median value of a household's main residence in Spain in 2008 was €180k (which is coincidentally also the median value for the eurozone as a whole... although the ECB report doesn't give a date for this).

Behind that figure, the ‘participation rate’ for main-residence households as a real asset — in other words, home ownership — was 82 per cent for Spain in 2008, versus 44 per cent for Germany in 2010. (Cyprus: 76.7 per cent.) Some set of cultural, social or historical differences between Spain and Germany regarding opportunities to own houses must be coming into play here already, you might be thinking. Some of this is pretty obvious. Germans are [likelier to rent](#).

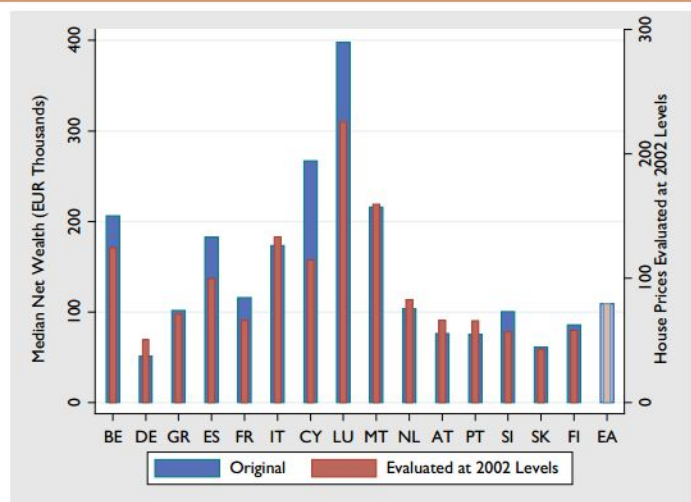
In any case, imagine what might have happened to the value of that Valencian house in the years after 2008. Consider what happened to the Spanish economy and property market over that period.

Also, interestingly, note that asset prices — whether real or financial — covered in this ECB survey about ‘paper’ wealth are *self-reported*.

Anyway, let’s bring this back to Cyprus.

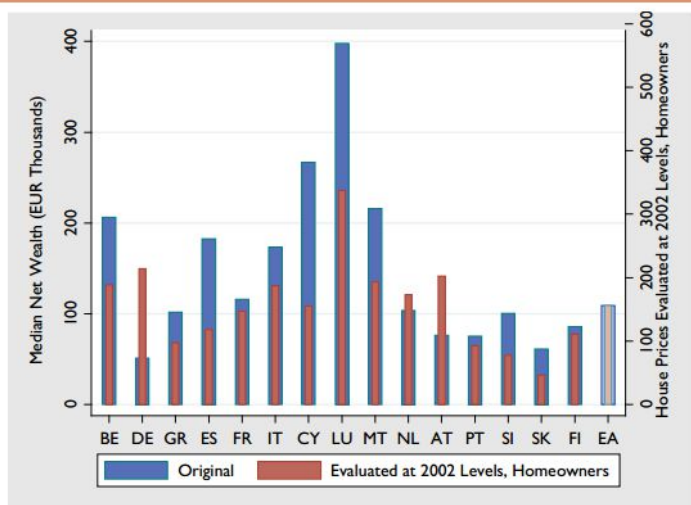
When it comes to home ownership and housing booms, this is maybe the most revealing pair of charts on the ‘wealth’ of Cypriot households (click to enlarge):

Chart 4.6 Median net wealth evaluated at house price levels of 2002



Notes: This chart shows the breakdown across countries of the median value of net wealth per household for baseline figures and for figures evaluated at (country-specific) house price levels of 2002. The medians were calculated using household weights. The scales of the two statistics differ; they have been chosen so that they perfectly overlap for the euro area figures.
Sources: HFCS, ECB, National Central Banks

Chart 4.7 Median net wealth evaluated at house price levels of 2002; homeowners



Notes: This chart shows the breakdown across countries of the median value of net wealth per household for the population and for homeowners. The chart compares the baseline figures and figures evaluated at (country-specific) house price levels of 2002. The medians were calculated using household weights. The scales of the two statistics differ; they have been chosen so that they perfectly overlap for the euro area figures.
Sources: HFCS, ECB, National Central Banks

When you rewind house prices back to 2002, Cypriot wealth falls back much closer to the median for the eurozone, especially when you zero in on homeowners. The survey itself calls this a “sharp contrast” to that first table which made Cypriots look three times richer than Germans.

There’s a similar story on the debt side of the ledger. The countries whose median households take the prize for more than 100 per cent debt to income are Spain, Cyprus, the Netherlands and Portugal — with both Spain and Cyprus also posting the largest ratios of debt service to income. (This is where we note that mortgage payments aren’t tax-deductible in Cyprus. But nor are they in Germany...)

Still, maybe *here* is where you start moralising — why should the Swabian housewife bail out the Cypriot, or the Spaniard, from their housing bubble, and so on. But by then we're moving away from arguments purely about 'wealth' or southerners 'looting' their countries (therefore, wealth taxes as potential tools to fix the crisis) into matters of leverage and banking.

Even if we're not, we're still not quite sure about where the moral lesson lies.

More from the survey for instance – a sign of household size swaying the results (if only “marginally”):

Other things being equal, larger households, and in particular households with more adults (which are more prevalent, for instance, in **Cyprus**, Malta or Slovakia), tend to accumulate more wealth, especially wealth related to real estate, than smaller households (which are more prevalent, for instance, in **Germany**, the Netherlands, Austria or Finland). Consequently, the cross-country dispersion in household wealth in the HFCS data is larger than the differences in per person net wealth, although the adjustment for household size contributes only marginally to explaining cross-country variation of net wealth.

There are plenty of other signs of Cyprus not being “comparable” but which frustratingly seem to fall just outside the survey's scope. We learn this factoid in a footnote, for instance: “High fractions of households receiving a substantial inheritance – around 40% – were recorded in France and Cyprus.”

Still, is this all to be castigated? Must it be weighed in the balance and be found wanting when a peripheral finance minister goes to the Eurogroup to get borrowing terms? And isn't much here a historical accident?

After all, looking at it from the other end of the eurozone — some recognition in the survey of how German household wealth still feels the impact of the Second World War and its aftermath:

The German re-unification and the depressed values of housing in East Germany also contribute to the relatively low value of mean net wealth (and to a lesser extent of median net wealth).

And then, finally, we come to public goods and welfare.

Precautionary savings and wealth taxes

The HFCS is pretty straight-up about the fact that public wealth is “rarely mentioned” in its analysis — which makes some sense: it's a completely different sector. But we don't find out much about whether peripheral households (ex-Italy?) might be piling into real or financial assets because they think their public pensions schemes are unfunded, for instance, or because they trust infrastructure and the government less than in well-organised systems in the north. Nor can we tell whether the apparent asset-rich, high-debt model in Cyprus, a recent EU and eurozone entrant, is in some way a response to political uncertainty.

This is clearly all very tricky to parse. (How would bailout wealth taxes — especially the fly-by-night, regressive kind first tried in Cyprus — affect precautionary savings in periphery economies? We don't know, but it seems to be a good question.) In any case it doesn't seem to be a problem of a rich 'poor' south and a poor 'rich' core, more two models failing to understand each other. It can't be good for making eurozonians out of the eurozone crisis in the end, can it?

MAIN FOCUS

Luxembourg relaxes bank secrecy

Luxembourg plans to begin passing information on the interest earnings of bank depositors in its territory to their home countries as of 2015. Prime Minister Jean-Claude Juncker announced on Wednesday that his country wants to join in in the battle against money laundering and tax evasion. Luxembourg is bowing to the international pressure that has intensified after the [Cyprus crisis](#) and [offshore leaks](#), some commentators say. Others predict that the tiny country with a huge bank sector will enhance its status as a legal tax haven with the move.

Il Sole 24 Ore - Italy

Monsieur Juncker capitulates

No matter how often Prime Minister Juncker repeats that bank secrecy won't end 'overnight', Luxembourg has undoubtedly changed its course radically and capitulated, the liberal-conservative business daily Il Sole 24 Ore writes mockingly: "It is indeed strange to see Jean-Claude Juncker of all people calling time on banking secrecy - particularly for those who can recall his crusades as head of the Euro Group to secure a flat rate tax on foreign income for Luxembourg, Belgium and [Austria](#) as an alternative to the exchange of information. ... This convinced European spent a decade stubbornly defending national interests. ... The reasons for this sudden capitulation? The growing pressure on the partner countries and the [Cyprus crisis](#). And not least the words of ECB boss Mario Draghi, who warned of the precarious situation of countries whose banking sector is worth several times their GDP. That was enough to prompt Monsieur Juncker to roll up the creased banner of bank secrecy." (11/04/2013)

[» to the homepage \(Il Sole 24 Ore\)](#)

More from the press review on the subject [» Fiscal Policy](#), [» Tax Policy](#), [» Banks](#), [» Luxembourg](#), [» Europe](#)

All available articles from [» Enrico Brivio](#)

Neue Zürcher Zeitung - Switzerland

Switzerland must remain firm

The fact that Luxembourg and [Austria](#) are now relaxing banking secrecy puts Switzerland under pressure to follow suit, the liberal-conservative daily Neue Zürcher Zeitung notes, urging the country not to give in: "Unfortunately, recent developments also show that in times of financial and tax crisis, the wayward tax hunger in some large countries grows positively boundless. ... Switzerland is also experiencing this in negotiations with the EU on corporate taxation and in the context of the growing number of initiatives against the so-called harmful tax optimisation. This pressure to harmonise is the biggest threat to our small non-EU state in the heart of Europe. ... Switzerland must urgently face up to the realities of power politics and develop an intelligent strategy for maintaining as many of its unique qualities and competitive advantages as possible, while at the same time securing itself vital market access as a small, open economy." (11/04/2013)

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POLITICS

El Periódico de Catalunya - Spain

Rehn's proposals risky for Spain

EU Economic and Monetary Affairs Commissioner Ollie Rehn called for Spain to introduce further reforms to stabilise its economy, which is struggling with debt and [rising unemployment](#). Putting the reforms into effect will be virtually impossible, the left-liberal daily El Periódico de Catalunya warns: "One can understand why Rehn is calling for more measures to tackle unemployment, but his solutions are risky. Given that Spain is already carrying out tough labour market reforms, cranking up the pressure even further would be technically adventurous and nothing short of socially dangerous. More must be invested in creating jobs, but it's difficult to implement and finance such measures. And another pension reform may be necessary, but it requires the consensus of the trade unions." (11/04/2013)

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ECONOMY

Süddeutsche Zeitung - Germany

Euro bonds won't solve structural problems

US star investor George Soros has made a [vehement case](#) for the introduction of euro bonds and criticised Berlin for rejecting the idea. But these joint bonds are not a panacea for Europe's crisis, the left-liberal Süddeutsche Zeitung counters: "Euro bonds would undoubtedly lower the risk premiums on the government debt of the peripheral states. But Soros himself pointed out that the possibility of borrowing money more cheaply is not exactly an incentive to increase competitiveness. This became clear after the introduction of the euro. Then there's the fact that the euro bonds have a legitimacy problem in the current political system, because they would effectively entail using taxpayers' money without voters having any say in the matter. ... But there is a third alternative [besides euro bonds or Germany exiting the euro]: the countries of Europe can reform their structures - not just those of their national budgets but also the structure of their social systems and the European institutions. Because only once Europe becomes fully functional as a state can the governments within this entity make sensible use of euro bonds." (11/04/2013)

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Who's saying what [» The row over debt mutualisation](#)

„Alternative für Deutschland“

Anti-Euro-Partei wächst rasant

11.04.2013 · 7500 Mitglieder hat die Anti-Euro-Partei „Alternative für Deutschland“ inzwischen und ein großes Wählerpotential. Union und FDP sind besorgt. Vor dem AfD-Parteitag am Wochenende steigt die Spannung – aber auch die Nervosität, ob die Partei im großen Streit versinkt.

Von [Philip Plickert](#)

76,75



© Gyarmaty, Jens Bernd Lucke, Professor für Makroökonomie an der Universität in Hamburg, ist Mit-Gründer der AfD

Das Interesse an der neuen eurokritischen Partei „Alternative für Deutschland“ ist groß. Die junge Partei, die erst vor einem Monat an die Öffentlichkeit ging, hat nach eigenen Angaben schon mehr als 7500 Mitglieder – rund 2500 mehr als vor zwei Wochen. „Der Zustrom ist gewaltig“, sagt Parteigründer Bernd Lucke, Volkswirtschaftsprofessor in Hamburg. Der wohl prominenteste Unterstützer ist der frühere BDI-Präsident Hans-Olaf Henkel, der aber parteilos bleiben will.

Unter den neuen Mitgliedern sind auch einige Überwechsler aus anderen Parteien mit zumindest regionaler Prominenz. In Frankfurt etwa ist Horst Hemzal, der langjährige Kämmerer und frühere CDU-Fraktionsvorsitzende im Römer, nun Mitglied der AfD geworden. Er gibt Euro-Frust als Hauptgrund für seinen Wechsel an, „die permanenten Verstöße gegen den Maastricht-Vertrag bei der Eurorettung“. Die Euro-Rettung führe zu einer Spaltung des Kontinents. „Man kann Europa nicht mit der Brechstange einigen“, sagt Hemzal, der 2001 bis 2007 die Finanzen der Bankenmetropole managte. Auch Albrecht Glaser, Finanzdezernent bis 2001, ist aus der CDU ausgetreten und zur AfD gewechselt. Am Mittwoch kündigte der Fraktionschef der Freien Wähler im Römer an, dass er zur „Alternative für Deutschland“ übertritt. Seit dem überraschenden Rücktritt ihres Spitzenkandidaten Stephan Werhahn und dem Übertritt mehrerer Funktionäre sind die Freien Wähler empfindlich geschwächt. In Stuttgart war schon vor drei Wochen der wirtschaftspolitische Sprecher der FDP im Regionalparlament zur „Alternative“ übergetreten.

600 Mitglieder von der CDU, 372 von der FDP

„Unsere Mitglieder sind überwiegend akademisch, stehen in der Mitte des Lebens oder darüber und sind überwiegend männlich“, erklärt Lucke. AfD-Sprecherin Dagmar Metzger hat die Angaben der Neumitglieder zu früheren Parteimitgliedschaften ausgewertet: „Genau 600 waren früher in der CDU, 372 in der FDP, 346 in der SPD, 130 in der CSU, 91 bei den Piraten und 67 bei den Grünen“, sagte Metzger, Inhaberin einer Marketingagentur in München, der F.A.Z.

Weit mehr als solche kleinen Verluste an der Basis hat die CDU/CSU- und die FDP-Führung eine Umfrage vom Wochenende aufgeschreckt. Wie das Institut Infratest dimap im Auftrag der Zeitung „Welt am Sonntag“ ermittelte, können sich 24 Prozent der Deutschen vorstellen, bei der Bundestagswahl die neue Partei zu wählen: 7 Prozent antworteten mit „Ja, sicher“ und 17 Prozent mit „Ja, vielleicht“ auf die entsprechende Frage. 59 Prozent schlossen aus, für die AfD zu stimmen. Überraschend war, dass offenbar überdurchschnittlich viele

SPD- und Linken-, aber auch FDP-Anhänger mit eurokritischen Ideen flirteten. Unter den CDU/CSU-Anhängern waren es 19 Prozent, die sich vorstellen konnten, eine eurokritische Partei zu wählen.

Zwar ist klar, dass solche Stimmungsbilder noch keine Stimmen bedeuten, doch das Potential für die neue Partei erscheint doch groß. Entsprechend reagierten die Parteispitzen mit Warnungen: „Wer zurück zur D-Mark will, riskiert Deutschlands Spitzenposition und eine Spaltung Europas“, sagte CDU-Generalsekretär Hermann Gröhe. Die Sorgen der Bürger dürften „nicht bewusst geschürt oder mit vermeintlich einfachen Lösungen falsch beantwortet werden“.

Gauweiler: „Die Unionsführung darf nicht die Augen verschließen“

„Das ist der Ansatz einer populistischen Partei“, kritisiert auch Steffen Kampeter, der CDU-Vizevorsitzende in Nordrhein-Westfalen, der parlamentarischer Staatssekretär im Finanzministerium ist, gegenüber der F.A.Z. „Die neue Partei gaukelt den Wählern vor, es sei möglich, die gemeinsame Währung ohne Nachteile zu renationalisieren, quasi aus dem Rührei wieder Ei zu machen.“ Das gehe nicht. Zwar müsse die CDU „jeden politischen Wettbewerber mit Respekt behandeln, aber wir müssen wegen einer Partei, die sich noch nicht einmal auf einem Parteitag gegründet hat, nicht wie aufgeregte Hühner durch die Gegend hüpfen.“

Es gibt aber auch eher wohlwollende Stimmen. „Die Gründer der Alternative sind honorige und anerkannte Volkswirtschaftler“, sagt der CSU-Abgeordnete und Euro-Kritiker Peter Gauweiler der F.A.Z. Mehr als 50 Prozent der Bevölkerung habe Skepsis bezüglich der Euro-Rettungspolitik. „Die Unionsführung darf davor nicht die Augen verschließen“, sagte Gauweiler. Er glaubt dennoch, dass die AfD scheitern werde. FDP-Generalsekretär Patrick Döring sagte der „Wams“ mit Blick auf die neue Protestpartei, „wir unterschätzen die neue Bewegung nicht“. Protestparteien, die sich auf ein einziges Thema konzentrierten, hätten aber „auf Dauer keinen Bestand“.

Mehr direkte Demokratie

Die Eurokritiker haben inzwischen ein rudimentäres Programm aufgestellt, das neben der Währungsfrage auch Steuern, Energie und eine Reform der Demokratie umfasst. Oberster Punkt ist die Forderung „Schluss mit diesem Euro“. Die Professoren und Publizisten um Lucke, die das erste Programm entworfen haben, halten eine Rückkehr zu nationalen Währungen oder kleineren Währungsverbänden für besser als den gegenwärtigen Rettungskurs. Weitere Punkte sind die Forderung nach einer drastischen Steuervereinfachung, wie sie der Heidelberger Verfassungsjurist Paul Kirchhof vorgeschlagen hat. Zudem soll das Finanzierungssystem der Energiewende reformiert werden.

Die Subventionen für Solar- und Windkraftwerke sollen nicht mehr von den Stromkunden, sondern aus dem allgemeinen Steuertopf finanziert werden, um mehr Transparenz zu erhalten. „Es muss offengelegt werden, welche Energieart wie stark subventioniert wird“, heißt es im Programmentwurf. Es müsse zudem eine stärkere Steuerung der Zuwanderung nach Qualifikation geben, Vorbild dabei sei das kanadische Modell. Als letzten großen Punkt fordert die „Alternative“ eine Reform der Demokratie mit mehr Elementen direkter Demokratie. Bundestagsabgeordneten sollten „alle bezahlten Nebentätigkeiten“ verboten werden.

„Vielleicht sind Parallelwährungen ein Ausweg“

Klar ist aber, dass die Forderung nach Euro-Austritt im Zentrum des Wahlkampfes steht, kündigt Lucke an. Der Wirtschaftswissenschaftler Ulrich Blum, früherer Chef des IWH Halle, hat sich der AfD angeschlossen, weil ihm die Summe der Haftungsrisiken für Deutschland in der Eurorettung zu bedrohlich erscheint. „Die Summe aus den Rettungsschirmen, den Target-Salden und unserem Anteil an der Refinanzierung durch die EZB beläuft sich auf rund eine Billion Euro – es ist unerträglich, dass wir über diese Notlage keine große parlamentarische Debatte haben“, sagte er der F.A.Z. „Aus Liebe zu Europa sollte man aufpassen, dass der Euro nicht Europa spaltet, vielleicht sind Parallelwährungen ein Ausweg“, sagte Blum.

Dagegen gibt es auch heftigen Widerspruch. Der neue Präsident des Deutschen Instituts für Wirtschaftsforschung, Marcel Fratzscher, hält den Euro in der Krisen-debatte nur für einen Sündenbock, die

Argumente der „Alternative für Deutschland“ nennt Fratzscher „grundfalsch“. „Die Einführung des Euro hat Vorteile für alle Mitgliedsländer gebracht. Durch mehr Handel, vertiefte Finanzintegration, günstigere Finanzierungsbedingungen, erhöhte Preisstabilität und eine Intensivierung des Wettbewerbs“, betont er in einem [Aufsatz für die „Zeit“](#). Zwar habe der Euro über günstigere Finanzierungsbedingungen einige Länder verleitet, mehr Schulden zu machen. Dafür sei aber die Politik, nicht die Währung verantwortlich. Es gebe keine Euro-Krise, betont Fratzscher, der zuvor Abteilungsleiter in der EZB war. Blum wiederum weist das Argument zurück, dass Deutschland vom Euro stark profitiert habe. „Einen großen Anteil des Exports verschenken wir de facto, weil die Abnehmerländer in Südeuropa es gar nicht mehr bezahlen können und auf Kredit gekauft haben.“

Einige Ökonomen warnen hingegen vor einem gigantischen Vermögensverlust, wenn der Euro aufgegeben würde. Thomas Straubhaar, der Chef des Hamburgischen Weltwirtschaftsinstituts, schreibt aktuell in einem [Kommentar für die „Welt“](#), dass Deutschland dann einen Großteil seiner Auslandsvermögen verlieren würde, wenn eine neue D-Mark stark aufwerten würde. „Für Deutschland wäre eine so starke Abschreibung in so kurzer Zeit eine Schocktherapie, die selbst eine an sich gesunde Wirtschaft nachhaltig schädigen würde.“ Die Ökonomen aus dem AfD-Umfeld hingegen glauben, dass die deutschen Forderungen besonders in Südeuropa ohnehin nicht mehr viel wert sind.

Erster Parteitag am Sonntag in Berlin

Am Sonntag trifft sich die neue Partei zu einem ersten Parteitag in Berlin. Gut 1500 Mitglieder haben sich angemeldet, zudem wollen 60 Journalisten und sechs Kamerateams kommen. Allein dies zeigt, dass die neue Partei von großem Medieninteresse profitiert. Sie steht aber auch stark unter Beobachtung, etwa von Journalisten, die ihr rechtspopulistische Tendenzen vorwerfen. Lucke hat hohe Erwartungen an den Parteitag. „Wenn es gut läuft, kann das einen großen Schub geben.“ Zugleich weiß er, dass die Partei noch sehr jung, unerfahren und heterogen ist – und damit auch anfällig für Streit. „Die 1500 Leute haben keine Parteitagserfahrung. Es gibt auch ein Risiko, dass sie sich in die Haare kriegen.“

Und nach dem Parteitag fängt die Mühe erst an. Dann müssen bis Mitte Juli Unterschriften gesammelt werden – je Bundesland bis zu 2000 –, um zur Bundestagswahl zugelassen zu werden. Und sie muss respektable Kandidaten aufstellen und ein Wahlkampf organisieren. Der Schwung der neuen Graswurzelbewegung ist zwar groß, doch die Hürden vor einem Erfolg sind noch viel größer.

Quelle: FAZ.NET

Eurozone: Germany: Europe's poor relation

11 April 2013

76,78

[Frankfurter Allgemeine Zeitung](#) Frankfurt



According to the ECB, the Germans did not take advantage of the crisis and are even poorer now than other Europeans. For the [Frankfurter Allgemeine Zeitung](#), this is proof that they should not pay for the mistakes of others, and they need to better allocate their wealth.

[Holger Steltzner](#)

[The data from the European Central Bank](#) contains political dynamite. For the first time, official bodies across Europe have wheeled out representative and methodologically comparable surveys to determine the wealth of European households.

With average household assets of €51,000, Germans turn out to be poorer than Slovaks, only half as rich as Greeks (€102,000) and almost needy in comparison with Luxembourg (€398,000) or Cypriots (€267,000). The distribution of the assets may come as a surprise, but it is hardly a scandal. It merely describes the reality that more and more politicians and media in this country rarely care to take note of, for whatever reason.

What is truly a scandal is that the ECB held back this data until [the "rescue" of Cyprus](#) was agreed, which shows just how deeply the ECB itself has stepped into the euro crisis as a political player.

The financial situation does not square with the politically cultivated image of a wealthy Germany that some like to draw. In Brussels one hears time and again that Germany, with its export muscle, has driven southern Europe into a corner of consumption binges and far too much debt. But that's as false as the fairy tale that Germany has prospered from the monetary union far more than any other Eurozone country.

Eurobonds gather dust

On the contrary, after the euro was brought in, Germany fell back a few ranks in per capita income and growth. It is also true that the former soft currency countries could think of nothing better to do with the greatest of gifts, the euro and the low interest rates, than to get mired even deeper in debt.

Even German politicians are still in denial about that. They want fiscal equalisation throughout the Eurozone and demand more solidarity through Eurobonds. The Germans, French, Dutch, Austrians and Finns, fleeced by

their taxmen, would then have to guarantee the sovereign debts of unsound Eurozone countries – yet without being as rich as the Italians, Spaniards, Belgians, Maltese or Cypriots.

Since that would hardly be fair, plans for Eurobonds will hopefully keep gathering dust in drawers in Brussels. However, we cannot be sure they won't be pulled out again, as the financial situation is being assiduously reinterpreted. The assets across Europe are, supposedly, not comparable, as the real estate values were not entirely assessed in 2010, but partly in 2008. This applies, however, only to Spain.

In addition, the size of households varies. This isn't true either, though: with just over two persons per household, Germany lies just below the European average of 2.32.

Skewed German wealth

Some want to count the Germans as "rich" thanks to their allegedly lavish pensions. Now, this is peculiar. Since when have assets been generated by a pay-as-you-go system? The German pensioner or retiree may have a legal claim to a certain amount that could be considered as an "asset", but their pensions must be paid from the current income of today's workers. This is not comparable to capital accumulation through life insurance, funds or savings accounts. That is why only the latter was taken into account in the European asset comparison, as were houses and apartments (minus debt), cars, jewellery and works of art.

Maybe another bitter truth for Germany in what the statistics have uncovered will wake up those who want to "save" southern Europe even at the price of turning a blind eye to the subject of assets: nowhere in the Eurozone are assets as unequally distributed as in Germany, as shown by the large gap between average and median wealth (that is, there are some Germans who are very wealthy indeed, skewing the statistical distribution). Why?

As the study concludes, the assets of the average household in Germany are the lowest in the monetary union, as a consequence of reunification and, as well, of the world wars that Germany started. The richest Europeans live in small countries with oversized banking systems – in Luxembourg, Cyprus and Malta. And where wars were not handed down from generation to generation, great fortunes built up, as in Belgium, Spain, Italy, France and the Netherlands.

Real estate ownership anomaly

Interestingly, even households in Slovenia or Slovakia have created more wealth since the fall of the Iron Curtain than households in this country. The answer to the puzzle reveals the great weakness of capital formation in Germany.

In the former Eastern bloc countries, real estate ownership was often transferred at very low cost from the post-communist state to the residents of those apartments and houses, which explains why the percentage of homeowners in those states ranges from 82 to 90 per cent, while in Germany it's at only 44 per cent.

Most Germans continue to keep their money in a bank at paltry interest rates, even though they are losing money because inflation outstrips the interest rate. Often it would make more sense to put money into residential property. By exercising discipline in saving and spending, many property owners build up their wealth over the long term. Here is where we must start – and that will also help to distribute assets better in Germany as well.

Germany and the euro

Right target, wrong shots

Southern Europeans are attacking Germany's policies, but mostly for the wrong reasons

Apr 13th 2013 | [From the print edition](#)

76,80



GERMANS seem beleaguered these days. Not only is their country the dominant actor in the euro crisis, but it is also being attacked for foisting on southern Europeans reforms and spending cuts that are prolonging recession and forcing unemployment unbearably high. All this is accompanied by none-too-subtle talk of the second world war and cartoons of Angela Merkel wearing a moustache.

Germans find this monstrously unfair. They have accepted a string of costly bail-outs in the past three years even though they were promised that the euro would never make them liable for other countries' follies. The Cypriot bail-out showed that German patience with letting private creditors off the hook is exhausted. The attacks are having a political impact—witness the creation of a new anti-euro party (see [article](#)).

Yet the critics are mostly wide of the mark. Germany is not to blame for unpopular reforms; these are necessary for economic survival in a single currency that eliminates the options of independent monetary policy and currency devaluation. Mrs Merkel is not responsible for all budget cuts; these are unavoidable when governments become so indebted as to lose access to financial markets. She was not the author of the (abortive) idea to raid insured bank deposits in Cyprus; that was the Cypriot government's attempt to spare offshore savers from bearing the entire bill for the island's rescue.

The critics are more on target over Germany's excessive insistence on austerity. Greece, Italy, Spain and most recently Portugal (see [article](#)) do belatedly have scope to slow the pace of deficit-cutting, but it took German and other creditors too long to give them a bit more leeway. Germany itself also has room to boost demand at home through fiscal policy and wage rises. With its economy close to joining the euro zone in recession, it would gain from exploiting that room to the full. Yet the fillip of more German demand would not necessarily save the rest of Europe from the difficult road ahead.

The oddity is that where Germany really now deserves blame, the critics are almost silent. The gravest long-term threat to the euro is Germany's new-found reluctance to build a safer structure to underpin it. Mrs Merkel has a history of moving slowly and cautiously in the euro crisis, but recently she has started to go backwards.

The prime example is the banking union for the euro zone that she and her fellow leaders agreed on last year. The idea was that a single supervisor and a euro-wide bank-resolution mechanism would be better able to deal with large failing banks. Banking union would also sever the venomous connections that transmit insolvency from banks to governments and vice versa. Yet no sooner had the crisis begun to ease last autumn—after the European Central Bank (ECB) promised to do “whatever it takes” to save the euro—than Germany rowed back from banking union. It now argues that only future rescues, not legacy problems, should be covered, for example. Even agreement on a single supervisor is being held up on technical grounds.

The unhappy truth is that the euro zone is stuck in a halfway position. European leaders have agreed in principle that, to save the single currency, they must accept deeper economic and political integration, starting with their fiscal compact and continuing with banking union. But when it comes to turning principle into practice, obstacles keep emerging. And not just with banking union: leaders are now less ready to transfer more powers to Brussels or to create new mechanisms to hold countries to account. Instead, the hope seems merely to be that the ECB can keep the euro alive until the single currency is rescued by a world economic recovery.

Hope is not a policy

This is dangerously complacent. Already this year the messy bail-out of Cyprus has raised new fears in weaker countries that bank deposits may be at risk. The next euro-zone member likely to need a rescue is Slovenia (see [article](#)). An even bigger worry could be Italy, which is stuck in a political stalemate that seems to preclude further reforms to its moribund economy. Thanks to the ECB the markets have been in a quiescent mood, but just one unexpected political or economic accident anywhere could easily jolt them awake.

Mrs Merkel has reasons to tread carefully. Although most Germans strongly support the euro, they do not want the currency union to become a transfer union. Public opinion and the constitutional court make it harder for her to accept debt mutualisation. And although Germans generally seem to trust her handling of the euro crisis, she faces a testing election in September. Yet if the euro is to survive, Germany will have to embrace banking union as well as a degree of fiscal and political union. By pretending that full banking union is optional, German leaders are failing their voters, and prolonging the uncertainty in the rest of the euro zone.

L'Europe a-t-elle un avenir?

[Yann Echinard, Sabine Saurugger et Fabien Terpan](#)

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76,82

UNION EUROPÉENNE - La période de fortes instabilités que traverse l'Europe depuis la crise grecque semble sans fin. Elle réveille inévitablement une question récurrente si ce n'est existentielle, l'Europe a-t-elle encore un avenir?

Déjà, lorsque l'Europe débordait de projets à la fin des années 80 et au début des années 90, de nombreux observateurs s'interrogeaient sur son avenir: l'union monétaire serait-elle viable sans fédéralisme budgétaire? Est-ce qu'une union économique et monétaire pourrait exister sans union politique? La chute du mur de Berlin et la fin du système bipolaire signifiaient une Europe enfin retrouvée mais posaient aussi cette délicate question: quelles sont les frontières de l'Europe, où s'arrête l'Europe? À chaque étape cruciale de la construction européenne, la question du devenir de l'Europe s'est posée.

Ce questionnement récurrent est inévitable puisque la construction européenne est un processus gradualiste, itératif, inachevé. Le champ des possibles demeure toujours très ouvert et conséquemment l'incertain fait partie de la dynamique européenne.

L'objet Europe est d'autant plus difficilement définissable qu'il y a un grand nombre de bâtisseurs. On connaît la fameuse réplique de Kissinger: "l'Europe, quel numéro de téléphone?". Que répondre à cette question sinon qu'il y a eu 6, puis 9, 10, 12, 15, 25 et qu'il y aura [bientôt 28 numéros de téléphone](#), tandis qu'au niveau institutionnel le leadership est partagé entre plusieurs présidences, celle du Conseil européen, de la Commission, de l'Eurogroupe, des Affaires étrangères. Cette sur-abondance d'acteurs pose inévitablement problème car chacun (ou presque) possède son propre horizon européen. Le futur de l'Europe n'est donc pas consensuel, il est potentiellement conflictuel.

Cette Europe des États est notre histoire au long cours, histoire qui pesait lourdement hier, et pèse encore aujourd'hui. En ce cinquantenaire du Traité de l'Elysée, et sans bien sûr minimiser le chemin parcouru depuis l'après seconde guerre mondiale par ces deux pays, ces deux peuples au nom de l'unité européenne, il est frappant de constater que la France et l'Allemagne continuent d'évoluer sur des planètes différentes. En période de calme, les différences sont peu visibles, en période de tempête, elles sont criantes et complexifient la résolution des problèmes: les Français vantent les mérites du volontarisme politique, les Allemands ceux de l'ordolibéralisme. L'absence d'une vision commune rend difficile la projection dans un avenir commun.

Si la sur-abondance pose problème, le vide en pose aussi. S'il n'y a pas un leader suffisamment charismatique, c'est le cas des différents présidents de la Commission européenne depuis près de 20 ans, l'impression donnée est que l'Union européenne n'existe pas en tant que telle et qu'en conséquence elle est incapable de se donner un objectif collectif clair à atteindre. La stratégie de Lisbonne illustre magnifiquement nos propos, elle illustre le quasi-vides en termes d'intégration.

L'absence de leadership de la construction de l'Europe est l'originalité de sa construction mais aussi sa faiblesse en période de tensions fortes. Cette absence de leadership explique sans doute les nombreuses interrogations concernant l'avenir de l'Europe.

En cette période de crise profonde, nous sommes en effet autorisés à nous interroger sur la capacité de l'Europe à incarner l'avenir. L'Europe est actuellement davantage vécue comme une contrainte destructrice que comme un projet collectif. Destructrice puisque l'institution nationale séculaire qu'est l'Etat est en voie de quasi défaut de paiement par l'action d'une troïka qui n'a que peu de légitimité démocratique. Ce grondement grandissant empêche d'envisager un avenir commun. L'Europe n'est plus un rêve rifkinien, c'est un cauchemar camerounais. La montée progressive des partis extrémistes mais aussi une augmentation des voix eurosceptiques à l'intérieur des partis établis exprime ce rejet croissant de l'Europe et ne peut qu'être source de profondes inquiétudes. En

même temps, l'enjeu de l'intégration européenne pèse pour la première fois dans les élections nationales comme nous avons pu le voir en Italie, en Grèce, en Espagne ou encore en Irlande. L'Union européenne n'est plus si éloignée des citoyens -ils s'y intéressent de plus en plus même si cet intérêt renvoie à un rejet de l'Union ou de certaines de ses politiques.

Faut-il pour autant suivre l'exemple britannique et penser l'Europe de manière binaire, être ou ne pas être? La réponse est clairement non. L'Europe est évidemment notre avenir car, si le monde des Etats européens était celui du XIXème siècle, il n'est aucunement celui du XXIème siècle. L'Europe de demain est celle des grands ensembles régionaux et des Etats à dimension continentale, chacun pensant immédiatement à l'émergence des BRICS. Cette nouvelle donne est inscrite dans les relations géopolitiques et géoéconomiques amorcées à la fin de la décennie 70, nouvelle donne qui n'a cessé de s'amplifier depuis. Le projet européen a permis de plonger le continent dans la paix, a permis d'assurer des relations interétatiques pacifiées, a permis d'assurer une croissance économique importante, a permis l'unité du continent après la chute du mur de Berlin. Le prix Nobel de la paix décerné à l'Union européenne n'a fait que reconnaître ces 60 années d'évolutions centripètes.

Le défi actuel est indéniablement de trouver ensemble des solutions communes à la crise bancaire et financière en minimisant les coûts sociaux, produire de nouvelles dynamiques centripètes vertueuses. Mais, quelle que soit la difficulté de la tâche, le grand défi de l'Europe est de poursuivre son unification pour ne pas être engloutie par la tectonique des plaques émergentes. Au risque de choquer, le grand défi européen n'est pas de résoudre la crise actuelle, le grand défi européen est d'être capable de faire face à cette nouvelle donne mondiale et, en lien direct avec cette nouvelle donne, en particulier de faire face aux défis énergétiques.

Ces quelques lignes de forces impliquent néanmoins des révolutions intérieures importantes. Il est symptomatique de constater que les affaires européennes sont conduites en France par un Ministre délégué rattaché aux Ministères des affaires étrangères. Il est symptomatique d'entendre des discours de hauts responsables politiques français expliquant que notre souveraineté budgétaire n'est pas remise en cause par le TSCG alors que 75% de notre endettement public est déjà détenu par des non-résidents pouvant du jour au lendemain rendre insoutenable la trajectoire de nos finances publiques. Comme si les crises grecque, irlandaise, portugaise, chypriote, espagnole etc. étaient des crises de pays lointains n'ayant aucune résonance sur notre façon de gérer le bien public et l'action publique. Comme si l'europanisation et l'internationalisation n'avaient pas pénétré le cœur de nos institutions nationales.

Cette crise est une formidable opportunité pour comprendre la fragilité de nos Etats et pour comprendre que le projet européen est la réponse à nos problèmes et non la cause de nos problèmes. À condition, bien sûr, que la classe politique européenne joue la bonne partition, celle de l'action collective et non pas celle de la préservation des souverainetés nationales.

Germany and the euro

Don't make us Führer

Germans are losing patience with being cast as the euro zone's scapegoats

Apr 13th 2013 | BERLIN | [From the print edition](#)

76,84



HITLER moustaches and swastikas defiling pictures of Germany's chancellor, Angela Merkel, have become a recurring motif in the iconography of the euro crisis, most recently in Cyprus. Scapegoating is inevitable during financial upheavals, says Marcel Fratzscher, president of DIW Berlin, a think-tank. Germany, he suggests, has taken the place of the IMF during the Asian crisis of the late 1990s, with Mrs Merkel playing the role of Michel Camdessus, the then IMF boss who was pictured in 1997 with folded arms, standing over a humbled Indonesian president signing up to harsh austerity measures. But scapegoating can be dangerous if the goat is powerful and it begins to feel victimised.

The Germans are not yet openly angry. That would be out of character in a people who have, since the second world war, been eager to atone for the past and be good European partners. In one recent poll, 34% of Germans even said they empathised with the wrath of the southern Europeans. But the mood is shifting. The southerners may see Germany as forcing excessive austerity on them and showing insufficient solidarity, but Germans have a different view.

First, they feel they have already shown solidarity. Almost a quarter of a century after the fall of the Berlin Wall they still pay a solidarity tax to eastern Germany. Some also transfer taxes to weaker German states such as Bremen. Many conclude that, once in place, solidarity ceases being voluntary and instead becomes a yoke. They also bear much of the risk of euro bail-outs, even though a study released this week by the European Central Bank showed that the average German household has less wealth than the average Spanish, Italian and Cypriot one (though this is partly because German households tend to contain fewer adults and are more likely to be in rented accommodation).

Second, they argue that Germany recognised a decade ago that it was not competitive and undertook painful reforms that are now paying off. The crisis countries should follow suit. And third, Germans think the euro crisis was largely caused by rule-breaking (even by Germany itself), which must not be repeated. As one diplomat puts it, "solidarity is important, but it should follow rules. It is not just ad hoc giving."

Together, these attitudes often have the sound of a morality tale. Indeed, the English term “moral hazard”, which has no direct German translation, has become a staple of discourse in Berlin. Originating in the economics of insurance, it refers to the incentives to take risks when other people stand to pay for any damage. The fear is that German rescue money could cause the crisis countries to duck their reforms.

The Germans are not alone in these views. The Dutch, Finns and Slovaks broadly share them. What makes Germany different is that it is big and central. To historians such as Brendan Simms of Cambridge University, author of a new book, “Europe: the Struggle for Supremacy”, this sounds eerily familiar. Europe has long grappled with the “German question”. Sometimes Germany was too weak, sometimes too strong. Or, as Henry Kissinger, a former American secretary of state, put it, referring to Germany just after unification in 1871, it was “too big for Europe, but too small for the world”. Today, Mr Simms argues, “it sits uneasily at the heart of an EU that was conceived largely to constrain German power but which has served instead to increase it, and whose design flaws have unintentionally deprived many other Europeans of sovereignty.”

The question is whether Germany can use its power by unapologetically leading. Given Germany’s past, its political culture militates against even trying. As Joschka Fischer, a former foreign minister, jokes, “it’s nice to go to a conference of ‘young leaders’, but you don’t want a conference of *‘junge Führer’*.” Most Germans worry that others might again come to hate or fear them. Their neighbours are less concerned. As Poland’s foreign minister, Radek Sikorski, put it in a speech in Berlin in 2011, “I fear German power less than I am beginning to fear German inactivity.”

Some German academics agree with Mr Sikorski. Christoph Schönberger of the University of Constance thinks that German leadership should not be attacked as dominance. The first preserves a system—to act as lender of last resort in the euro zone, say. The second is overbearing assertion of power. He asks that “the German elites and public forbear national introversion” because there is no alternative to German leadership. Only a complete political union in Europe (as in such federal countries as Switzerland or the United States) would obviate the need for one member to be a hegemon, he thinks; but that is in the realm of “science fiction”.

This is the underlying debate in Germany as it enters into the long campaign before its federal election in September. A new poll suggests that 69% of Germans want to keep the euro, which is an increase over earlier polls. But those who want to go back to the D-mark now have a political party, the Alternative for Germany, which holds its first gathering this weekend in Berlin.

“The biggest risk for the euro right now is not that Greece leaves, it’s that Germany leaves,” claims Michael Burda, an economics professor at Humboldt University in Berlin. He points to recent repatriations of German gold from France and America as a subtle signal to the south that this is not impossible. If Mr Simms is right, “Germany is damned if it does and damned if it doesn’t” lead. The euro, by contrast, is damned only if Germany doesn’t.

Portugal's budget

Constitutional difficulties

A court ruling could force Portugal to seek a second bail-out

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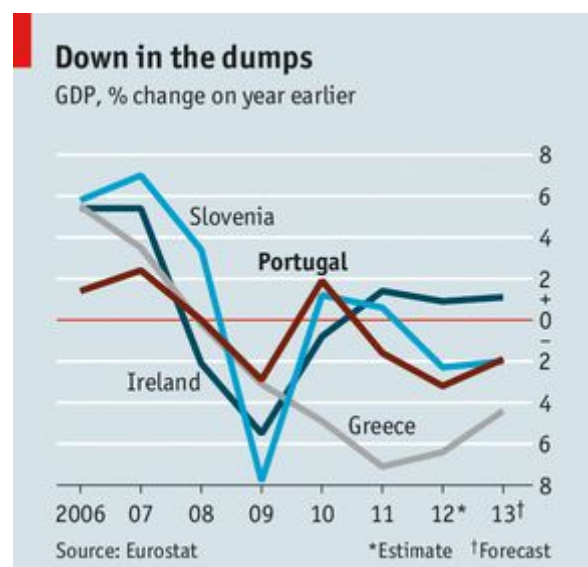
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A WEEK ago Pedro Passos Coelho, Portugal's centre-right prime minister, faced the unpopular task of cutting public spending by €4 billion (\$5 billion) over three years to comply with his country's €78 billion bail-out programme. Then, on April 5th, the constitutional court struck down previously planned cuts in public-sector pay, pensions and benefits. He now has to find cuts worth €5.3 billion to keep the programme on track to end in May 2014. The court's ruling raises doubts over whether that is now possible: in effect, might Portugal need a second bail-out?

After three months' deliberation, the court rejected four out of nine budget cuts before it. The 13 judges found that a plan to trim pay and pensions by eliminating one of two extra "bonus" months paid in the summer and at Christmas flouted a constitutional requirement that public- and private-sector workers and pensioners be treated equitably. The court also ruled against cuts in sickness and unemployment benefits made in January, arguing that minimum payments established in law cannot be lowered.

Before Portugal can receive the next €2 billion loan instalment, Mr Passos Coelho now has to persuade the European Union and the IMF that he can find the €5.3 billion in cuts: a tall order indeed. A decision on a seven-year extension to the maturity of Portugal's euro loans—an easing of financial terms that Mr Passos Coelho calls decisive—could also be delayed (see Charlemagne). And plans to issue a ten-year government bond, seen as an important step towards regaining access to the markets by September, have been put on hold.

António José Seguro, the leader of the opposition Socialists (PS), is crowing. The rescue programme has "failed on every level", he says, bringing the country to "the brink of a social tragedy". Not only is the recession much deeper and unemployment higher than forecast, but the budget deficit has widened from 4.4% of GDP in 2011 to 6.4% in 2012 despite unrelenting austerity. As evidence of progress, the government points to a big fall in the current-account deficit, from 10.4% to 0.3% of GDP over four years, and a sharp reduction in the primary structural budget deficit.



Court in the act

Mr Passos Coelho wants the constitution to be revised to slim down the state and allow the cuts he has promised. He would probably like to change the clauses that led directly to the court ruling. But the biggest concerns surround the welfare state. The IMF has proposed reducing the range of state-provided health services and increasing small, point-of-delivery charges. Large-scale redundancies seem inevitable among Portugal's 600,000 state workers (12.4% of the workforce). What the IMF calls "excess employment" is concentrated in education and the security forces. Despite entreaties from the government, the president and international lenders, the PS refuses to discuss such reforms, which it sees as an ideological attack.

The trouble for Mr Passos Coelho is that the PS is also against any constitutional amendments, depriving his government of the two-thirds majority in parliament that is needed to pass them. The opposition would prefer an early election, enabling a victorious PS to negotiate a new bail-out. And now the court has amplified doubts over the prime minister's ability to diminish the size and cost of the state without a constitutional revision. If Mr Passos Coelho is blocked both in parliament and by the court, then his plans for Portugal will be doomed from the outset.

Europe's Bogeyman

'There Is No Doubt Germanophobia Exists'

Germany's push for austerity during the ongoing euro crisis has prompted Nazi depictions of Chancellor Angela Merkel in many parts of Southern Europe. SPIEGEL speaks with Cambridge University historian Brendan Simms about the "German question" and persistent hatred toward the country.

SPIEGEL: Professor Simms, protesters at demonstrations across Europe hold up signs depicting Angela Merkel with a Hitler mustache. People talk of a Fourth Reich, and the hatred is palpable. Is this just absurd dramatics, or is it a reaction to a true power shift in Germany's favor?

Simms: It is undeniably ridiculous to compare Merkel with Hitler. There's no excuse for doing so. But I differentiate between such demonstrations on the one hand, and on the other hand the entirely relevant subject of the German question, which is part of the European question.

SPIEGEL: We thought the German question disappeared from politics after the reunification of East and West Germany.

Simms: Not at all. What we're seeing today is a resurgence of historical concerns.

SPIEGEL: In an essay in the British magazine *New Statesman*, you describe Germany's power as a "specter" that is "once again haunting Europe." You also say "Germanophobia" is on the rise throughout the continent.

Simms: There is no doubt Germanophobia exists. Look at Greece, at Italy, even Ireland, a country that has never before expressed hostility toward Germany, but which is now full of anger over increasingly painful cuts to its standard of living, an anger that comes from people feeling they have been hung out to dry. Then, of course, there is also anti-German sentiment that stems from World War II, for example in Greece.

SPIEGEL: We can't help finding this idea that the new Germany has become so very powerful a bit absurd. Just ask the US Army what they think of German military might, as it's played out in Afghanistan, for example.

Simms: Germany's power isn't expressed militarily. It's more of a structural increase in power, which can be clearly seen on an economic level. We also have an entirely new political situation. For the first time in its history, Germany is surrounded only by democratic allies, countries with which it has friendly relations. But this has also blunted Germany's ability to assess risk. Germany's refusal to continue with the planned expansion of NATO, to give serious consideration to a Russian threat or to participate in the intervention in Libya -- all these are symptomatic of this lessened risk-assessment ability.

SPIEGEL: You mean to say that German politicians simply don't dare explain to the public, for example, that Ukraine is also part of Europe?

Simms: There is no critical consensus in Germany on the fact that the European Union's border should indeed lie further east than it does. There is also too little being done for security in the Baltic states and Poland. Things are different in Great Britain. Here, there is an understanding that, in case of a crisis, we are responsible for everyone, and that includes countries such as the Baltic states.

SPIEGEL: You believe military strength is just as important today as it was during the Cold War?

Simms: Of course economic instruments of power have precedence at the moment. But I had an interesting experience recently while giving a talk in Norway. The audience was quite skeptical when I told them Great Britain remains one of the world's five strongest military powers. But I said: "Imagine you had a problem with an aggressor up in the far north, and a call to Washington for assistance met with the reply: 'We're not interested; we're concentrating on the Pacific.' Who would you call then?" There was a long pause, but the answer was clear. No one would call Berlin, but rather London and Paris.

SPIEGEL: And this is why a militarily strong Great Britain is an indispensable part of the EU?

Simms: Far more important than a European Great Britain is a British Europe. Europe needs to catch up on something England and Scotland did in the early 18th century, and the 13 American colonies a bit after that: The member states must create a common constitution for themselves.

SPIEGEL: Isn't the current crisis already forcing the euro-zone countries toward greater unity?

Simms: The problem is that, in this crisis, German politicians tend to emphasize almost exclusively the poor conduct of the countries at the periphery of the EU, and they see changing this conduct as a prerequisite for changing the EU's political structure. By taking this position, they're failing to recognize that this poor conduct was in part a result of a design flaw in the way the euro was implemented, which led to the countries at Europe's periphery being flooded with new, cheap money.

SPIEGEL: Yet isn't Germany's position understandable? It's Germany that has to bail out the other countries.

Simms: My fear is that Germany's policies on this point consist solely of setting the European periphery conditions it can't fulfill. But perhaps that's all the political climate at home allows German politicians to do. The only solution here is a political union, and of course the architecture of that union must ensure that Germany doesn't end up paying for everyone. There need to be strict controls on spending, as the United States has.

SPIEGEL: You claim it would take an external impulse to get the EU to pull together. Isn't this crisis enough of an impulse?

Simms: In the course of history, nations have always rallied together in the face of matters of life and death, not poverty. A shock from outside could take many shapes -- it could be a terrorist act, a Russian threat in the Baltic or a conflict over the supply of energy.

SPIEGEL: In the past, it was the Franco-German engine that drove European integration. Is the weakness of that engine responsible for the EU's current structural crisis?

Simms: From the start, Germany and France had very different expectations. Germany in the 1950s saw Europe as a vehicle for gradually working its way back into the club of civilized nations. France, on the other hand, wanted to rein in Germany and increase its own power. It would be good, both politically and psychologically, if France would admit that it can't ride two horses at the same time. France should make a clear and definite decision in favor of Europe. In fact, the same goes for everyone.

SPIEGEL: *It sounds as if you're calling on German politicians to show stronger leadership.*

Simms: *It's a matter of using the power that already exists responsibly.* The European project has always been going in two directions at once. On the one hand, the existence of common European institutions is meant to prevent Germany's power from growing unchecked, while at the same time the idea was to mobilize Germany's strengths. We should not always view Germany only as a dangerous power. We should also ask ourselves how we can best use Germany's strengths for the good of Europe.

SPIEGEL: *It's a double bind for German politicians. They're always doing either too little or too much.*

Simms: We have a saying: "Damned if they do, damned if they don't." Sometimes they can't seem to do anything right.

SPIEGEL: In your recent book "Europe: The Struggle for Supremacy, 1453 to the Present," you not only write that the German question continues to play a role today; you also seek to prove that this question has dominated European history since the mid-15th century. Is that scientifically sound scholarship, or does it cross the line into obsession?

Simms: It's verifiable, and the reasons behind it are predominantly structural. First of all, there was the sheer size of the German lands, their abundance and high population. These factors made it practically inevitable that Germany's neighbors would want to get their hands on large swaths of that land. Then there was the central location. Germany is at the heart of Europe, which means foreign armies have often used the country as a battlefield, or marched through it on their way to somewhere else. Major European powers have often seen Germany as a buffer state between them and their rivals for domination. The Holy Roman Empire was seen as the source of political legitimation-- the kings of England and France all tried to win the crown of the German emperor. Even Suleiman the Magnificent, sultan of the Ottoman Empire, tried to claim this imperial legacy for himself.

SPIEGEL: In other words, the attempts by other European powers to thwart Germany's hegemonic ambitions have been a constant throughout the history of European politics?

Simms: No, you couldn't really say that. Most of the time, for example in the Thirty Years' War, the cabinet wars of the 18th century or the Napoleonic Wars, other Europeans didn't so much fear Germany as a power in its own right, but rather were concerned with German resources, and keeping these from falling into an opponent's hands.

SPIEGEL: At what point did European powers begin to fear Germany could come to dominate the Continent?

Simms: As far back as the 17th century, a Swedish diplomat argued that Germany possessed all the conditions it needed to "establish absolute dominance over all of Europe." At the Congress of Vienna in 1814-1815, the Continent's major powers saw to it that Germany was strong enough to fend off attacks, yet not strong enough to pose a threat to peace in Europe. As the drive toward national unification made inroads across Europe in 1848, there were concerns that a unified Germany could destroy the Continent's balance. Worries over Germany's ambitions, though, didn't emerge until the late 19th century. The empire's newly acquired power and willful foreign policies contributed significantly to the outbreak of World War I.

'I Admire Merkel's Equanimity'

SPIEGEL: Not just German strength, but also German weakness or inaction posed a danger to Europe?

Simms: Germany's weakness was always a provocation. It invited invasions, for example by the Ottomans or the French. And a weak Germany also weakened the ability of Europe as a whole to react to dangers from outside. In the 15th and 16th centuries, for example, the Holy Roman Empire failed to protect Hungary and Croatia from Ottoman attacks. It wasn't until the second half of the 20th century, following rearmament, that Germany made an effective contribution to containing the Soviet Union.

SPIEGEL: Wouldn't you say that Germany, in its current role as Europe's leading economy, pursues a national policy while also engaging when necessary in shifting coalitions, in the style of Bismarck?

Simms: Certainly neither the Prussian spiked helmet nor the mustache is a valued attribute for German politicians these days. And although I take a critical view of Germany's foreign policy, I admire Angela Merkel's equanimity when faced with people vilifying her as a dictator. But if Germans feel that a sovereign German state must continue to exist in Europe, then there are strong arguments in favor of a strategy for maintaining power that resembles the strategy pursued by Otto von Bismarck's empire: finding allies and preventing enemy alliances from forming.

SPIEGEL: After World War II, the Allies created institutions designed to contain Germany and to keep it small. Are those institutions no longer working?

Simms: I don't believe this is because Germany has changed so greatly. Yes, reunification was a change, but it's far more the case that the world has changed around Germany. The Soviet Union no longer exists, and Germany is doing extremely well economically. But with some countries in Southern Europe experiencing serious problems, the architecture of the common currency forces Germany to lead and the other states to follow the German model. I am not accusing Germany here of having bad intentions.

SPIEGEL: You write that Germany has far too often been wrapped up in legalistic considerations instead of engaging in politics. What exactly is objectionable about that?

Simms: I was primarily referring to the Holy Roman Empire, which focused on its own institutions intensively and at great length. The Holy Roman Empire reflects a very German penchant for legal solutions produced through long negotiating sessions. This is an admirable quality, but it has a serious drawback: too much time spent debating instead of taking action. It's not a coincidence that that empire served as a negative example in the debates that led to the creation of the US Constitution in the 1780s, while the union between England and Scotland served as a positive example.

SPIEGEL: Why, then, is Great Britain pulling back from Europe?

Simms: That's unavoidable and, in fact, can be beneficial for both sides. If Europe is to become a single federal state, then the remaining nation-states -- Switzerland, Great Britain and a few others -- won't be part of it because they don't want to be. I don't see any imperative to participate. The greatest gifts Great Britain can give to Europe are the English language and its political structure.

SPIEGEL: The British are hardly even taken seriously anymore in Europe.

Simms: That is lamentable. But this insistence that it is essential that Great Britain be part of the union has repeatedly led to frustrations. Smaller European countries see us as a counterbalance to France and Germany, which doesn't help to advance the union. Besides, it's self-deception because we are never going to introduce the euro. It also makes it more difficult for the British mainstream to support the EU wholeheartedly.

SPIEGEL: We haven't seen much evidence that they wish to do so.

Simms: Whether you believe it or not, the number of people in Great Britain who hope the euro will collapse is actually very low.

SPIEGEL: Professor Simms, we thank you for this interview.

Interview conducted by editors Hans Hoyng and Christoph Scheuermann.

Kohl confesses to euro's undemocratic beginnings

08.04.13 @ 21:56

76,92

Berlin - Former German Chancellor Helmut Kohl - the architect of German reunification - admitted he would never have won a referendum on the adoption of the euro in his country and said he acted "like a dictator" to see the common currency introduced.



Helmut Kohl says he would not have won a referendum on the euro (Photo: Christliches Medienmagazin pro)

In an interview from 2002 but published only recently as part of a [PhD thesis](#) written by journalist Jens Peter Paul, Kohl said that the idea behind the euro was to avoid another war in Europe.

"Nations with a common currency never went to war against each other. A common currency is more than the money you pay with," he said.

He recalled French President Francois Mitterand - and other European leaders of the time - repeatedly urged him to push through the common currency idea, which was not very popular in Germany.

"They thought - and were right about it - that if Germany doesn't adopt the euro, nobody will. And about the German situation they said: if Helmut Kohl doesn't push it through, nobody else will. Decisions emerged out of this core attitude," Kohl said.

One of these decisions was not to step down and let his popular interior minister, Wolfgang Schaeuble, become chancellor in the 1994 elections. Schaeuble, who currently serves as finance minister in the government of Angela Merkel, would not have been able to push through the euro, Kohl said.

"Schaeuble is a very talented man, no doubt about it, but this was not a matter for a newcomer, you needed someone with full authority," Kohl said.

Germany's chancellor between 1982 and 1998, Kohl said it took him "years" to build the trust and negotiation skills to convince other European leaders of his ideas and push them through.

"And it paid off, for instance in the Frankfurt Bank," Kohl said, in reference to the concession made by France and Great Britain to allow the European Central Bank to be based in Frankfurt.

With political parties springing up in favour of keeping Deutsche Mark and his own Christian-Democrats lukewarm to the idea of the euro, Kohl said a referendum on the matter would have been a lost cause.

"I knew that I could never have won a referendum here in Germany. We would have lost any plebiscite about the introduction of the euro. That is very clear. I would have lost it," he said.

The odds would have been about seven to three against the euro, Kohl recalled. The Social-Democratic opposition would not have come out against it, but also "not gone to the battlefield in favour of the euro, surely not."

In addition, the freshly reunified East Germans, happy to finally have their Deutsche Mark back, would never have voted in favour of abandoning it again for a new European currency.

"In the end, representative democracy can only be successful if someone stands up and says: this is how it is. I link my existence to this political project. Then you get a whole bunch of people in your own party who say: If he falls, I fall too. And then it is not about the euro - it is a life philosophy."

"I wanted to bring the euro because to me it meant the irreversibility of European development... for me the euro was a synonym for Europe going further," Kohl said.

But he admitted that in bringing this idea to life he "was like a dictator."

Asked if he had to accept the euro in return for French support for German reunification, Kohl replied:

"No more war - that was the first message. That was the point for men like Mitterand and Kohl, who in 1984 held hands on the Verdun battlefield. It wasn't about German reunification first and foremost."

Kohl paid tribute to Mitterand's wife, Danielle, who told her husband not to ignore east Germans' desire to reunite with their western brothers.

"On German reunification, Mitterand was torn. The President of the Republic had all the files from Quai d'Orsay [the French foreign ministry] and they were not in favour of German reunification. Better keep them [the Germans] as few as possible," Kohl recalled.

In the end, Mitterand's wife prevailed. The Berlin wall fell and Germany reunited in 1990. Kohl was celebrated as the chancellor of German reunification.

His other big legacy however - bringing the euro to life without enough public support - remains controversial. That the single currency began as a political project without being backed up by an economic union is seen as at the root of the ongoing crisis in the eurozone.