

ANNEXE

Corpus textuel analysé

Texte 1. Mobilisation radicale pour le rétablissement de l'équilibre budgétaire

J. Stark, mars 2010, audition Bruxelles

This brings me to fiscal policy issues. The crisis began as a financial crisis and evolved into an economic crisis. There is now a clear risk that we will enter **a third wave, a sovereign debt crisis** in most advanced economies. Many euro area countries are faced with large budget deficits and sharply rising public debt levels. While it was right to also take extraordinary fiscal policy measures to avoid a 1930s-style depression, a **timely exit from the fiscal stimuli is now crucial in the context of ongoing economic recovery**. Any undue delay will have serious negative side-effects on confidence and economic welfare.

Let me remind you that unsustainable fiscal policies complicate the task of monetary policy, as they might lead to higher inflation expectations and higher uncertainty about the inflation outlook in the medium term. As a result, upward pressure on long-term interest rates might lead to a crowding out of private investment, which would, in turn, be detrimental to potential growth and contribute to adverse spill-over effects. High debt ratios reduce the room for governments to counter a new downturn by letting automatic stabilisers operate or even adopting discretionary stimulus measures. Indeed, with fiscal sustainability under pressure, **fiscal multipliers can turn negative and a fiscal expansion can induce higher precautionary saving and, consequently, an economic contraction**. This underlines the importance of reducing debt levels, and of having effective tools to counter serious downturns in the future.

As a result of the budgetary loosening in the context of the economic and financial crisis, many euro area countries will need to engage in ambitious fiscal consolidation to put their debt levels back on a declining path towards the Maastricht reference value of 60% of GDP.

Simulation results suggest that even with average annual consolidation efforts of 0.5% of GDP, returning to the pre-crisis euro area debt ratio would take around two decades. Therefore, to safeguard government solvency and sustainable fiscal positions in the euro area countries, governments must give fiscal consolidation top priority, taking the ongoing recovery of the economy into account, and bring their deficit ratios to below 3% of GDP, in line with the recommendations by the Ecofin Council. Consolidation efforts will have to last for several years in many countries. In Europe, the Stability and Growth Pact provides the appropriate framework for the coordination of the necessary consolidation policies. It is now crucial that all governments strictly adhere to their commitments under the Pact. Supporting national fiscal frameworks should be strengthened wherever necessary.

The situation in Greece shows how important it is to strictly apply credible fiscal rules. A lesson to be learnt from the recent events is to strengthen the fiscal rules in the euro area and to enforce their application.

Texto 2. MEMO/11/822. Brussels, 23 November 2011. Economic governance: Commission proposes two new Regulations to further strengthen budgetary surveillance in the euro area

The global economic and financial crises have exposed shortcomings in the governance of the Economic and Monetary Union. A reform package – the so-called Six Pack – will enter into force by the end of the year. It amends and strengthens the Stability and Growth Pact (SGP), introduces a new Excessive Imbalances Procedure and lays down new requirements for Member States' national budgetary frameworks. While it will be a game changer, more should be done specifically for the euro area. Today, the Commission is unveiling two new Regulations aimed at further strengthening the surveillance mechanisms in the euro area, as well as a Green Paper on presenting options for euro Stability Bonds.

Why two new Regulations?

There is a need for euro area Member States to go beyond the Six Pack, so as to strengthen the economic pillar of the Economic and Monetary Union.

The extent and potential consequences of the spillovers between euro area Member States' economic and budgetary situations is clearly evident. In good times, this interdependence brings increased prosperity. But it also means that the sharing of risk should be accompanied by a sharing of responsibility and a seamless procedure covering all eventualities, including the use of financial backstops.

To which countries do the Regulations apply?

The first Regulation will apply to all euro area Member States, with special provisions made for those which are subject to an Excessive Deficit Procedure (EDP).

The second Regulation sets out explicit rules for enhanced surveillance for those euro area Member States facing severe difficulties with regard to their financial stability; those in receipt of financial assistance on either a precautionary basis or as part of a full-scale assistance programme; and those in the process of exiting such assistance. For the first time, there will be a common and graduated framework that will set out the surveillance requirements made in such cases.

Taken together, the Regulations put in place for the euro area Member States an enhanced monitoring procedure that builds on and complements the Stability and Growth Pact, ensuring a seamless continuity of policy monitoring in all budgetary situations.

What new monitoring requirements will the Regulation strengthening surveillance of budgetary policies bring about in euro area Member States?

The new monitoring requirements include the introduction of a common budgetary timeline and common budgetary rules, such as independent macroeconomic forecasts and independent fiscal councils monitoring the implementation of national rules.

Euro area Member States will be required to submit their draft budgetary plans for the following year to the Commission and the Council in the autumn. The Commission will examine them and will address an opinion to a Member State if these plans do not appear to be in line with the obligations under the Stability and Growth Pact and the recommendations from the European semester in the budgetary area.

What is the purpose of such an assessment?

This procedure will allow Member States' plans to be assessed by both the Commission and the other euro area Member States in the Eurogroup before they become law. In doing so, it will enhance the coordination and surveillance of Member States' policies and will help inform any subsequent decisions about whether Member States should be placed in an Excessive Deficit Procedure.

What about euro area Member States in Excessive Deficit Procedure?

For euro area Member States in EDP, the new Regulations introduce a new system of graduated monitoring. This will operate alongside – and effectively as part of – the Stability & Growth Pact requirements.

Depending on which step in the EDP a Member State is at, the new monitoring provisions will regularly provide the Commission with the information needed to judge whether a risk of non-compliance with the deadline to correct the excessive deficit exists, at any point in time.

If such a risk exists, the Commission will address a recommendation to the Member State in question. This recommendation, together with the Member State's response, will inform the Commission's assessments to the Council as to whether a Member State has taken effective action with regards to their EDP recommendations. As such, it forms an integrated part of the decision-making relating to the Stability and Growth Pact.

What does the second Regulation add to this?

The second Regulation strengthens the monitoring and surveillance procedures even further for Member States experiencing severe difficulties with regard to their financial stability or for those in receipt of financial assistance.

The strength and intrusiveness of the provisions will depend on the severity of the situation.

Member States experiencing severe difficulties with regard to their financial stability or receiving financial assistance on a precautionary basis will be subject to tighter monitoring ("enhanced surveillance") by the Commission – in liaison with the ECB – which will go further than the requirements for EDP Member States. They are based on an obligation to communicate information to the Commission and allow assessments to be made about the content and direction of fiscal policy at any point.

On the basis of this monitoring, the Commission may conclude that further measures are required by a Member State and that its financial situation has significant adverse effects on the financial stability of the euro area. In that case, the Commission may propose that the Council recommend that the Member State concerned seek financial assistance and that a macro-economic adjustment programme be prepared.

What happens if financial assistance is granted?

The Regulation also introduces a new procedure that will apply to the preparation and adoption of any future macroeconomic adjustment procedures. It sets out how financial assistance granted outside the framework of the Union (such as through the EFSF and IMF), fits with the Treaty. This new framework will supersede existing provisions. In this way, the implementation of the SGP, the Excessive Imbalance Procedure and the European Semester will be adapted with a view to avoiding a duplication of reporting obligations.

What happens when a Member States emerges from an adjustment programme or precautionary assistance?

A new system of post-programme surveillance is set out for Member States emerging from adjustment programmes or precautionary assistance. Until they have paid back a minimum of 75% of the assistance received, they will remain subject to a number of the new enhanced surveillance provisions.

How does this new legislation link with the Stability and Growth Pact (SGP) and the European Semester?

The proposals unveiled today are designed to fit seamlessly into the structure of the Stability & Growth Pact and complement its operation.

Under the recently reformed SGP, Member States present the main characteristics of their public finance plans to the Commission and Council in the spring of every year, as part of the European Semester. Today's proposal adds a new requirement: Member States should publish and present to the Commission their draft budgetary plans in advance of their adoption by the national parliaments.

Moreover, the exercise of the common budgetary timeline in the autumn will be a follow-up to the exercise in the spring and provide preparatory grounds for the following spring's assessment.

How does this early assessment add to the current system?

If the Commission issues an opinion stating that the plans are not in line with the SGP and the Member State does not take corrective action, the Commission can use this when deciding whether to place the Member State in an EDP. While this opinion is not a requirement before a Member State is placed in an EDP, it adds to the toolbox at the disposal of the Commission when making its recommendation to the Council.

This is also the case for the further requirements when a Member State finds itself in an EDP. The new monitoring requirements – based on an obligation to communicate information to the Commission – allow assessments to be made about the content and direction of fiscal policy at any point while a Member State is in an EDP. Steps away from the correction needed from an excessive deficit may therefore be highlighted at any point. This creates the possibility to follow policy more closely and to back up their recommendations in the context of the SGP through a greater scrutiny of Member States' policies.

The Commission will now be allowed to take action well before the deadline for correcting an excessive deficit if its assessment concludes that it is likely that the Member State will not comply by its deadline.

Is the Commission asking for the right to veto national budgets?

No. The presentation of a Member State's draft budgetary plans will allow the Commission to issue an opinion about whether they are in line with both the requirements of the SGP and the recommendations from the European semester before the budget is adopted. It does not give the Commission the power to change the plans. This monitoring at an earlier stage in the budgetary procedure will equip all stakeholders in the national budgetary process with the necessary information to make an informed decision.

This is important since such early assessment can be used as part of the evidence in deciding whether to place the Member State in an EDP.

What is the legal basis for the new legislation?

The new procedures are being proposed under Article 136 of the Treaty on the Functioning of the European Union. This Article was introduced by the Lisbon Treaty and allows euro area Member States to strengthen the coordination and surveillance of their budgetary discipline in order to ensure the proper functioning of economic and monetary union. The new legislation therefore only applies to the euro area.

The new Regulation seems to add to the reporting obligations of Member States in an EDP. Will this not increase the administrative burden?

Insofar as the new Regulation creates new reporting obligations for Member States in an excessive deficit, it has been designed to avoid the duplication of existing requirements. The aim is to provide the Commission and the Council with details more frequently on the budgetary situation of Member States concerned. This will ensure a closer monitoring of Member States which have been making gross errors in their debt or deficits while in an EDP.

Careful attention has been paid to avoid over-burdening national administrations. Reports and monitoring already envisaged throughout the EDP, as described in the corresponding Regulation of the Pact, are included and combined with the requirements set out in the new text. In addition, Member States which are subject to a macroeconomic adjustment programme are also exempted from the reporting requirements of this new Regulation on monitoring and assessment.

How do the changes affect national parliaments and Member States' sovereignty in the budgetary field?

The changes leave national parliaments better informed in terms of appropriateness of the draft budget plans, without affecting their role in the budgetary procedure. They will be kept informed at all the stages of the new budgetary monitoring process and of the assessments made as part of the new legislation.

In terms of the procedure, once the draft budgetary plan is presented to the Commission, it may request that an alternative plan be presented within 2 weeks if it identifies particularly serious non-compliance with the obligations laid down in the Stability and Growth Pact, and it may issue an opinion on the draft. This opinion will be presented to the parliament of the Member State concerned. Equipped with this extra information, the national parliament remains sovereign in amending and voting the actual budget. In the case of Member States under an EDP, whether the Commission identifies risks to a timely correction of the excessive deficit, the recommendation it issues will be presented to the parliament.

There is thus no transfer of sovereignty away from the Member States. The new role of the Commission is one of information and monitoring. Member States will need to respect European requirements in their public finances when setting their budgetary plans; but these requirements are already set out in the Treaty and the SGP. Today's proposals add to the scrutiny of Member States' policymaking but do not place additional requirements on the policy itself.

How do the new proposals fit in with the Green Paper on the euro Stability Bonds?

Today's proposals form part of the basis on which Stability Bonds can be constructed. It is clear that any move towards the joint issuance of debt is premised on strong budgetary

governance and a watertight system of monitoring and surveillance. The sharing of risk under a regime of Stability Bonds would require a coordination and mutual surveillance of budgetary policy that goes beyond what is outlined in today's proposals. The new proposals should therefore be seen as a necessary but not sufficient stepping stone on the path towards Stability Bonds.

Why create enhanced surveillance on top of the normal surveillance process? Do you assume that the latter will not work?

The surveillance process has been considerably improved with the Six-Pack. The new Regulation on the draft budgetary plans and the correction of excessive deficits will be a further important step. This enhanced surveillance will allow a closer monitoring of countries experiencing financial difficulties and will give the Commission the powers needed to this effect.

Why adapt the implementation of the SGP, the EIP and the European Semester for programme countries? Doesn't it weaken the surveillance?

Macro-economic adjustment programme are very broad in scope. They go well beyond fiscal issues. In practice, the country concerned is asked to do whatever is identified as needed to improve the situation. The suspension of the EIP and the adaptation of the SGP and European Semester will help avoiding an unnecessary duplication of reporting obligations.

Is the enhanced surveillance contained in the Regulation consistent with the one foreseen in the EFSF guidelines for countries under precautionary financial assistance?

Yes. The Commission services prepared the relevant EFSF guidelines and discussed them with the Member States with the future draft Regulation in mind, thus ensuring a natural consistency between the two texts.

For more information:

[President Barroso's website](#)

[IP/11/1381](#) New action for growth, governance and stability

[MEMO/11/820](#) European Commission Green Paper "Feasibility of introducing Stability Bonds"

[MEMO/11/821](#) The 2012 Annual Growth Survey: Frequently Asked Questions

Texte 3. Le discours anti-euro

L'euro: agonie et déni

Par [Jacques Sapir](#)

15 décembre 2016

Ce document annexe est une reproduction de l'article *L'euro : Agonie et déni*, publié sur le blog de Jacques Sapir sur la Russie et l'Europe, accessible à l'adresse suivante : <https://russeurope.hypotheses.org/5511>

Seules les couvertures de livres mises en avant sur le blog n'ont pas été reproduites ici.

Le problème posé la nature nocive de l'euro pour les économies européennes est aujourd'hui évident. Ceci vient d'être rappelé par le prix Nobel de cette année, Oliver Hart^[1], après l'avoir été par plusieurs grands économistes distingués par le Nobel comme Joseph Stiglitz^[2], Christopher Pissarides, et quelques autres comme Peter Bofinger^[3], Heiner Flassbeck, Hans Werner Synn, ou Alfred Steinherr^[4] en Allemagne, Brendan Brown, Rendall Wray et Mark Weisbrot dans le monde anglo-saxon.

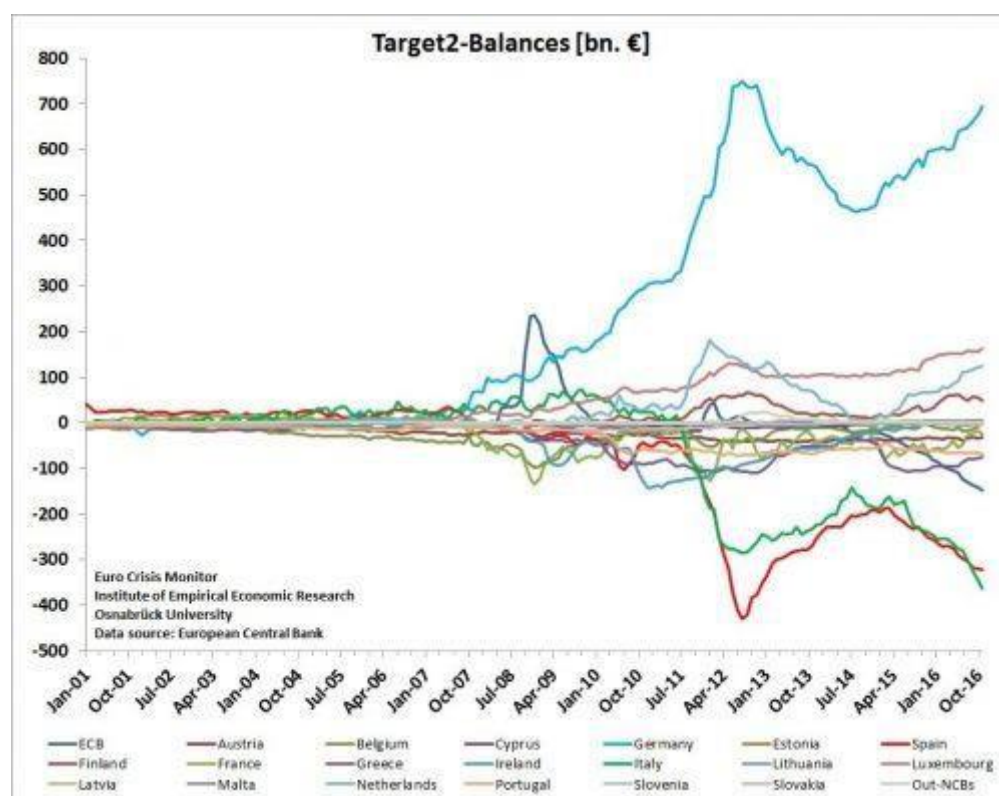
Pourtant, il est aussi clair que *jamais* la clôture autistique n'a été aussi forte, du moins en France. Cela peut d'ailleurs se comprendre. Les individus qui ont investi énormément, que ce soit en termes de travail mais aussi – et surtout – en terme symboliques, ont énormément de difficultés à reconnaître qu'ils se sont trompés, ou que la réalité ne correspond pas à leurs attentes. Ils entrent alors à la fois dans une attitude de déni, le « réel » n'existe pas ou n'est que l'image donnée par un complot de gens mal intentionnés, et dans une attitude visant à réprimer tous ceux qui ne partagent pas leur point de vue. Ce type de comportement est humain. Il fut celui adopté à la fois par les dirigeants soviétiques mais aussi par les militants du PCF avant l'effondrement de l'URSS. L'investissement symbolique dans l'euro a été énorme, justement parce qu'au delà de la monnaie unique ce qui est en cause c'est la fédéralisation de l'Union européenne, autrement dit la reprise du projet supranational dénoncé en son temps par le Général de Gaulle.

Quand un pays accepte d'entrer dans une *union monétaire*, et il faut savoir qu'il y en eut de nombreuses depuis la fin du XIXème siècle, il accepte en fait de perdre le contrôle sur sa politique monétaire, de se comporter comme la *région* d'un ensemble supérieur. Perdre sa souveraineté monétaire, c'est perdre sa souveraineté tout court. La question est alors de savoir si l'on a demandé aux habitants du pays considéré s'ils voulaient se fondre dans un espace plus vaste, s'ils pensaient que des liens de solidarité forts existaient avec les autres peuples, liens de solidarités sans lesquels il est illusoire de chercher à penser un Etat, si la culture politique de ce dit pays était suffisamment proche de celle des autres pays de cette *union* pour que les conditions de mises en œuvre des institutions de l'Etat deviennent possibles. Sinon, la perte de la souveraineté monétaire relève d'un processus colonial, ou impérial. C'est l'une des

raisons pour lesquelles les nombreuses *unions monétaires* qui ont été constituées ont très souvent échoué. Les processus de dissociation monétaire ont été en réalité bien plus importants que les processus d'unification monétaire. L'échec de la zone euro est en réalité « normale » au regard de l'histoire.

Il est donc clair, aujourd'hui, que l'éventualité d'une explosion de la zone euro fait partie des scénarii sur lesquelles les Banques Centrales des pays membres travaillent. Cela n'implique nullement que ces responsables *souhaitent* l'explosion de cette zone, mais les faits sont là. Le système de compensation des mouvements de capitaux internes à la zone en temps réel, ce que l'on appelle le « système Target2 » pour *Trans-European Automated Real-time Gross Settlement Express Transfer System*, permet d'ailleurs de mesurer très directement les tensions qui existent entre les pays membre. Les tensions qui sont apparues depuis 2007 dans ce système, où l'Allemagne est très largement excédentaire, ont conduit certains économistes à parler d'une « trappe » monétaire qui serait en train de se refermer sur l'Allemagne [5]. C'est d'ailleurs en suivant les évolutions des montants dans le système *Target2* que l'on peut le mieux voir la progression de la crise de l'euro, et en particulier l'impact des événements qui se déroulent actuellement en Italie. Les tensions dans le système étaient arrivées à un point très élevé à la fin de 2012. L'action de la BCE et de son nouveau Président, M. Draghi, avait permis une relative détente. Mais, depuis la fin de 2014, et le début de la crise grecque, elles ont commencé à remonter.

Graphique 1



Source : à partir de <https://russeurope.hypotheses.org/5511>

On voit qu'aujourd'hui, elles ne sont au-delà du niveau que l'on avait atteint en décembre 2012. Jamais cet écart ne fut aussi important. L'ampleur des « fuites » de capitaux en Espagne et en Italie montre bien que dans ces deux pays la crédibilité d'un maintien dans la zone Euro est largement mise en doute par les acteurs économiques.

[1] <https://www.euractiv.fr/section/euro-finances/news/economic-nobel-prize-winner-the-euro-was-a-mistake/>

[2] Stiglitz J.E., *L'Euro : comment la monnaie unique menace l'avenir de l'Europe*, Paris, Les Liens qui Libèrent, 2016.

[3] <https://www.efxnews.com/story/15982/germanys-euro-exit-must-be-seriously-considered-leading-german-economist-bofinger>

[4] <http://www.european-solidarity.eu/signatories.php>

[5] Sinn, H. W.; Wollmershäuser, T. (2012). « Target loans, current account balances and capital flows: The ECB's rescue facility » in *International Tax and Public Finance*, vol.19 (n°4): 468–508.

Texto 4. A MODEST PROPOSAL FOR EUROPE

A two-part plan for overcoming the eurozone's crisis, re-designing its crumbling architecture, and reinvigorating the European Project

by

Yanis Varoufakis¹ and Stuart Holland²
November 2010

1. PREAMBLE

An accelerating crisis that must be arrested

It is now abundantly clear that each and every response by the eurozone to the galloping sovereign debt crisis has been consistently underwhelming. This includes, back in May 2010, the joint Eurozone-IMF operation to 'rescue' Greece and, in short shrift, the quite remarkable overnight formation of a so-called 'special vehicle' (officially the *European Financial Stability Facility*, or EFSF), worth up to €750 billion, for supporting the rest of the fiscally challenged eurozone members (e.g. Ireland, Portugal, Spain). More recently, European leaders announced their 'provisional' agreement to create a 'permanent' mechanism to replace the EFSF as well as a series of measures for, supposedly, attacking the crisis' causes, thus ensuring that it is not repeated. Alas, no sooner were those measures announced that the crisis intensified.

2. THE TWO SIDES OF THE CRISIS

A Gordian Knot of Mounting Debts, Deficits and Bank Losses

The reason why is simple. The eurozone is facing an escalating twin crisis but only acknowledges one of its two manifestations. On the one hand we have the sovereign debt crisis which permeates the public sector in the majority of its member countries. On the other hand we have Europe's private sector banks many of whom find their own viability in question because of exposure to a risk of default by southern European countries and Ireland. Over-laden with paper assets (both publically and privately issued) which are worth next to nothing, they constitute black holes in which the European Central Bank (ECB) keeps pumping oceans of liquidity that, naturally, only occasion a tiny trickle of extra loans to business. Meanwhile, the eurozone's leadership steadfastly refuses to discuss the private debt crisis, concentrating solely on the need to curtail public debt through a massive austerity drive. In a never ending circle, these fiscal cuts constrain economic activity further and, thus, pull the rug from under the bankers' already weakened legs. And so the crisis is reproducing itself.

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3. THE NEED FOR A RATIONAL POLITICAL RESPONSE

The current response constitutes a clear and present threat for Europe

From its very inception the 'European project' was always political. Its *raison d'être*, lest we forget, was, initially to render another war "not only politically unthinkable but materially impossible",³ and eventually, to create a community based on the 'twin pillars' of an internal market and economic and social cohesion.⁴ These political aims continued to hold sway in Europe in the 1990s and underpinned politically the efforts to create a currency union. Alas, the architecture chosen for the new common currency, the euro, was always missing an important pillar. The *Crash of 2008* was the earthquake that revealed the euro's structural deficits. It put the eurozone in its current vicious circle by exposing the imbalances that were expanding during the boom years.

The time has now come to orchestrate a political response to the crisis that is equal to the task. So far, the political response has been anything but. The political debate in Europe, about how to react to the worst economic crisis since the *Great Depression*, has been limited to what should be cut. Meanwhile sixteen million are registered unemployed, millions more either do not qualify for unemployment benefits (because a partner still is working) or are severely underemployed, and a whole generation of young people are losing faith both in Europe and in the ability of its democracies to govern. The unemployed, the under-employed and especially this next generation should not have to live through another *Great Depression* before Europe realises it needs a *New Deal*.

It is our profound worry that the exclusive focus on austerity measures and enhanced 'fiscal discipline' for the heavily indebted will not only further inflame the debt crisis, rather than alleviate it, but that it will, in so doing, seriously undermine the 'European Project' in its totality. After all, what the *Great Depression* taught us is that, in the absence of a collectively agreed political response to a debt crisis, common currencies (the Gold Standard then, the euro now) break up and a war of all against all looms. Our proposal below aims to offer the foundation for a minimalist (and thus modest) political response that arrests the current crisis, paves the ground for recovery, and returns rational politics to their rightful place.

4. OUR PROPOSAL

A two-part plan for stabilising the euro and promoting cohesion and recovery

PART A: STABILISATION - A Tripartite Agreement to defuse the current crisis

³ Recall the *Schumann Declaration for a Coal and Steel Community*. Also, recall the words of Walter Hallstein, former German Foreign Minister and first President of the European Commission, who, upon taking office, declared that "we are not in commerce but in politics".

⁴ That was the commitment undertaken by the member states during the first revision of the Rome Treaty in the Single European Act of 1986.

The crisis has two manifestations and the time has come to address both of them at once. So long as Europe is continuing to target the crisis' one manifestation (the sovereign debt crisis), while ignoring the other (the crisis in the stricken banking sector and its recessionary effects), things will deteriorate until the euro's breaking point is reached. In short, Europe desperately needs a two-pronged plan for tackling *at once* the deficit states' debt *and* the banks' problematic assets. Until this is done, markets will continue to speculate on which will be the next domino pieces to fall and thus the crisis will be reproducing itself.

The two-pronged attack at the current crisis can take a very simple form: A politically mediated Tripartite Negotiation between the following participants:

- A. Representatives of all high deficit countries that will, potentially, require assistance during the next five years (e.g. not only Greece and Ireland but also Spain, Ireland, Italy).
- B. The heads of the ECB and the eurozone, who will effectively be representing, as is their wont, the interests of the more dominant, low deficit, countries (e.g. Germany, Austria, Finland, Holland).
- C. Representatives of all the main European banks holding the majority of the high deficit countries' bonds

THE TRIPARTITE NEGOTIATION

By bringing these three sides to the same table, it will become possible to tackle the problem in its entirety; to avoid squeezing it in the domain of public debt only to see it balloon in the banking sector; or vice versa. Here is an example of a possible Grand Agreement that the Tripartite Negotiation might bring about:

- 1. European banks agree to limit their demands over the debt of the high deficit countries (i.e. to restructure the debt of Greece, Ireland etc.)
- 2. High deficit countries agree to implement reforms that reduce waste, corruption and parts of their deficit whose reduction will have limited impact on poverty, social cohesion and long term productivity growth (e.g. defence procurement, tax breaks for wealthier citizens, subsidies on environmentally damaging agriculture)
- 3. The Eurozone-ECB undertakes to come to the assistance of European financial institutions that are stressed by (1) above and, crucially, to utilise the European Investment Bank (EIB) to increase productive investment throughout the continent, but more so in its recession-hit regions.

A POSSIBLE GRAND AGREEMENT

Note how such an agreement would reduce the total amount of debt and would instil confidence in the banks. Currently, under the Greek rescue plan and the EFSF, deficit countries borrow at high interest rates (5% plus) to pay existing bank debts to banks. That money is itself borrowed by the rest of the eurozone at various interest rates (depending on each country's credit worthiness). Meanwhile, the banks (who are already borrowing at less than 1% from the ECB) have no confidence that the

deficit countries will manage to continue meeting their payments beyond 2012. Thus they hoard funds and refuse to lend to businesses at decent rates. This merry-go-round reinforces the crisis and, in fact, increases the overall burden of debt. The Agreement above would both:

- deflate the gross debt [by combining: (a) a partial, multilaterally negotiated, haircut that is born *only* by banks which are already being drip-fed by the ECB, with (b) increased liquidity into the banks by the ECB at interest rates of 1% or less] *and*
- make banks more confident and thus more willing to lend [by removing the prospect of a series of much worse, and totally unilateral, haircuts on the bonds that they hold after 2012-3].

PART B: A NEW DESIGN - Three simple steps for re-designing the eurozone's architecture to enable recovery, offset future crises and promote cohesion

Once the current fire is put out, Europe needs to think of ways to speed up recovery, ensure that our European house does not catch fire again, and reinvigorate the 'European Project'. Unfortunately, the present political debate offers no prospect of the above being accomplished. By focusing exclusively on fiscal discipline and what is to be done with countries that go into debt, Europe is, once again, missing the point.

If the current euro crisis reveals anything, it is the simple truth that our currency union was never equipped to deal either with a large crisis or with the demands placed upon it during a future recovery. Put simply, the eurozone's current triptych of 'no default, no bail out, no exit' is not credible. Nor is the German proposal, being discussed at EU level now, of allowing default while the 'no bail out' and 'no exit' clauses remain intact. Granted that it is politically suicidal to expect the German taxpayers to pay for Ireland's or Greece's bonds, it is equally utopian to expect member states to default and remain within the eurozone. But, then again, if the 'no bail out' clause is to remain, and exit becomes possible, a vicious domino effect will rear its head and speculation about which country will exit next will wreck the eurozone and demolish its chances of recovery.

Would a European Monetary Fund (EMF) help? Not in the slightest. Such an institution has one purpose: To rescue an economically failed state by imposing austerity upon it. We note that, even if we are prepared to ignore the fact that that approach has caused great misery everywhere it was tried (by the IMF), IMF-style rescue plans require, to succeed, a large depreciation of the stricken economy's currency. But this is, by definition, impossible within the eurozone. In any case, the IMF-like institutions are all about lending to failed economies on condition of austerity. The point here is to come up with safeguards against such failures and in order to prevent any need for such loans.

In short, the eurozone faces a dilemma:

(A) Break up *or*

(B) Re-design its architecture by moving well beyond the question of fiscal discipline and of how to build new mechanisms (e.g. an EMF) for lending troubled countries.

Regarding (a), no one seriously considers a break up. Low debt, high trade surplus countries, like Germany, will be devastated by the euro's demise if, in the middle of a sluggish world economy, they acquire a new currency whose value will, no doubt, shoot up *viz.* the dollar, the remnibi, the yen etc. Equally, the high debt, high trade deficit countries of the eurozone will fall further into the debt-recessionary hole. Nonetheless, even though it is in the eurozone's collective interest to avoid a break up, the idea of re-designing the euro's architecture stumbles upon the argument that nothing short of Federation will do the trick. Although Federation may, indeed, be a solution, it would be political lunacy to link the euro's fate with such a maximalist political project in the middle of the present crisis. For exactly this reason, the attraction and modesty of our proposal is that its implementation will achieve the reinforcement of the eurozone without requiring a politically infeasible move toward Federalism.

Our starting point is that a currency union, in addition to a common monetary policy and good fiscal discipline, requires two further mechanisms without which it is, sooner or later, bound to enter into a tailspin: (1) A mechanism for managing sovereign debt centrally and (2) a mechanism for recycling surpluses and savings. Without these mechanisms, the eurozone will be vulnerable to crises, like the present one, and, worse, it will grow far less than its productive forces allow. The social consequences of this will be dire for the whole continent. But how can these missing mechanisms be introduced with minimal institutional change and without Europe getting bogged down in an endless debate on the merits and demerits of a formal fiscal union or, even worse, of Federation? Here is our proposal of how this can be achieved modestly and without much fanfare:

1. A tranche of 60% of the sovereign debt of all member states (the limit nominally recognised by the Stability and Growth Pact) be transferred immediately and costlessly to EU bonds
2. The European Investment Bank (EIB) be authorised (a) to embark upon a large scale investment drive on Europe's green technologies, efficiency enhancement, infrastructure, and poverty reduction with an explicit remit to channel investment to regions of negative or sluggish growth, and (b) to co-fund these investments using the ECB-issued EU bonds (which will, naturally, not count as part of the member states' debt).
3. Agree to new rules regarding fiscal discipline of member states

REINFORCING THE EUROZONE WITHOUT A TREATY CHANGE

The first thing to note regarding the above is that these three simple steps, of which only the third is currently being considered, can be effected without any formal institutional change. All that is necessary is political will and clear thinking. To see how they would introduce the missing mechanism to the euro's design, and help Europe recover economically, socially and politically, consider the following:

Regarding 1 above, it would create a level playing field and reduce the debt's uneven impact on interest rate differentials. The creation of EU bonds for the levels of debt already allowed for by the Maastricht Treaty (60% of a country's GDP) will pool Europe's borrowing resources together and ensure that, as long as a country stays within the Maastricht debt limits, it will be paying the same interest on its debt. Compared to the EFSF, which generates terrible risks similar to those of the toxic derivatives on the basis of interest rate differentials (see Appendix A), this simple tranche transfer will lower systemic risks significantly. Moreover, a 'tranche transfer' would not be a debt write-off. The member states whose bonds are transferred to the ECB would be responsible for paying the interest on them, but at much lower rates. Additionally, by issuing EU bonds (something already recommended by Jacques Delors in his 1993 White Paper), it would attract investments from the Central Banks of surplus economies (i.e. China, Japan,) and also sovereign wealth funds (e.g. Chinese, Norwegian, UAE) which are seeking to diversify the way their surpluses are invested. Indeed, that could herald the rise of the euro as a true reserve currency.

Regarding 2 above, the new role suggested here for the European Investment Bank (EIB) requires no tinkering with any of the EU's institutions. Already, since the Luxembourg European Council, and since its remit was enlarged in the Lisbon European Council (2000) to include investment in health, education, urban renewal and the environment, the institutional framework for the EIB allows it to play this new role as a surplus recycling mechanism. One should not forget that the EIB is no weakling. In fact it is twice the size of the World Bank. It is high time that it played a role within the eurozone as significant as that of the ECB. Presently, the EIB issues bonds which are its liability rather than of member states, which is why national governments need not count funding from it on their national debt. This reality can be used today, without any Treaty changes or legal tampering, to provide a much needed investment stimulus.

Note that there is nothing radical in this proposal: From 1997 the EIB has been given a joint cohesion and convergence remit by the European Council to invest in health, education, urban regeneration, green technology and support for small and medium firms. Since then it has quadrupled its annual lending to €80 billion or two thirds of the 'own resources' of the European Commission and could quadruple this again by 2020. Were it to do so, its impact would be equivalent, in funding terms, to postwar Marshall Aid.

The one change that would help enormously the EIB to play a leading role in promoting European recovery and cohesion would be this: Presently, the EIB only co-finances investments, requiring that member states put up a proportion of the funding from own funds. At a time of extreme fiscal pressure, governments (i.e. Greek, Irish, Portuguese) can ill afford to do so. All we need change here is that the member state's share could be replaced by net issues of EU bonds by the ECB. Who would buy these EU bonds? Mostly Central Banks and Sovereign Wealth Funds of surplus and emerging economies seeking to diversify their portfolio.

Are changes 1 and 2 above against the current Lisbon Treaty? Do we need a new Treaty? A pan-European government? Fiscal union? If we did, our proposal would be a non-starter, in view of the near impossibility of staging a new round of Europe-wide referenda and/or Parliamentary votes. Thankfully, no such legal changes are necessary. While the Lisbon Treaty confirms that the ECB's primary objective shall be to maintain price stability, it also states unequivocally that "without prejudice to that objective, it shall support the general economic policies of the Union in order to contribute to the achievement of the latter's objectives". So it runs out that Europe neither needs fiscal federalism nor the 'economic government' called for by Nicholas Sarkozy. The institutions and powers to implement our proposal are already in place.

5. Conclusion

Europe is at an unforgiving crossroads. The current mix of policies will cause the crisis to accelerate and, sooner or later, will lead to the breakup of the eurozone. Such an event would leave all its members shattered and the 'European Project' in tatters. Democracy and cohesion on the continent will have been dealt a serious blow.

Most fair minded observers recognise the need for two interventions to stave off this real and present danger: An intervention to stabilise the debt crisis and a longer term intervention that re-designs eurozone's problematic architecture. However, no sooner have they made this diagnosis that paralysis follows at the thought that both interventions require profound institutional changes deemed to be politically infeasible. Most believe, falsely, that nothing short of Federalism would do the trick. But since Federalism is not on the cards, they quickly recoil into a shell of pessimism.

Our proposal has a simple aim: To stir up optimism that the two interventions necessary are feasible within the existing institutional arrangements, that they are implementable here and now, and that they would, if so implemented, arrest the current freefall.

- Part A of our proposal aims at Debt Stabilisation (of both the public and the private sectors) through a Grand Agreement.
- Part B offers a simple three point plan for redesigning the euro's architecture by utilising *existing* institutions which can be re-calibrated in order to facilitate net borrowing for productive purposes (rather than for repaying existing mountains of debt).

To sum up, Europe is labouring under a twin debt mountain and must extricate itself from it. It must do so by tackling both manifestations of that debt at once. It must realise the opportunities presented to it by the fact that the EU itself has next to no debt. And it must seek ways to re-design its common currency. The preceding proposal offers answers to all these questions without requiring politically infeasible institutional changes. We think that it deserves a hearing from all fair-minded Europeans.

Appendix A: What is wrong with the EFSF and, by extension, with the new permanent mechanism that is meant to replace it?

The problem is that it bears an uncanny similarity with the circumstances that gave rise to the dodgy CDOs in the United States and, later, their European counterparts. Looking back to the US-issued mortgage-backed CDOs, we find that the trick therein was to bundle together prime and subprime mortgages in the same CDO, and to do it in such a complicated manner that the whole thing looks like a sterling (triple A rated) investment to potential buyers. Something very similar had occurred in Europe after the creation of the euro: CDOs were created that contained German, Dutch, Greek, Portuguese bonds etc. (i.e. debt), in such complex configurations, that investors found it impossible to work out their true long term value. The tidal wave of *private money* created on both sides of the Atlantic, on the basis of these two type of CDOs, was the root cause, as we have seen, of the *Crash of 2008*.

Seen through this prism, the EFSF's brief begins to look worrisome. Its 'bonds' will be bundling together different kinds of collateral (i.e. guarantees offered by each individual state) in ways that, at least till now, remain woefully opaque. This is precisely how the CDOs came to life prior to 2008. Banks and hedge funds will grasp with both hands the opportunity to turn this opacity into another betting spree, complete with CDSs taking out bets against the EFSF's bonds etc. In the end, either the EFSF bonds will flop, if banks and hedge funds stay clear of them, or they will sell well thus occasioning a third round of unsustainable *private money* generation. When that *private money* turns to ashes too, as it certainly will, what next for Europe?

In light of the above, Ireland's hesitation to seek shelter in EFSF's bosom is not illogical.

Appendix B: Why Germany should embrace the idea of EU bonds being used to finance, at least partly, the EIB's investment projects

The key to President Roosevelt's *New Deal* was that it was based on the issuing of US Treasury bonds. It used the monies borrowed in that way, at fixed interest rates, in order to invest in America's recovery. Notice that these debts do not count on the debt of US states such as California or Delaware. Of course, the US is a federal state whereas the eurozone is not. Nevertheless, there is no logical reason, nor any legal imperative, why EU bonds should count on the debt of EU member states in which the EIB's projects unfold. The reader may ask: Why do we need the EIB to invest in deficit regions? Why can we not leave it to the market to decide where investment goes? The simple answer is that we can *never* bank on balanced trade within an economy's regions. Germany will, come what may, have a trade surplus with Portugal. And so will Stuttgart relative to some East German state. So, if the currencies of the two regions are to be locked up indefinitely, keeping the balance sheets balanced requires either a steady transfer of capital from Germany to Portugal, or from Stuttgart to East Germany, or a constant diminution in Portuguese or East German wages. Though both phenomena are possible, and often observable, life has proved that neither the capital flows nor actual wage reductions are ever strong enough to avert the ever-growing imbalances between deficit and surplus

Eurozone regions and countries. In short, either the currency union will break up or a political-*cum*-institutional solution will be found. Our proposal here is that the EIB plays the role of recycling the surpluses. Not in the form of loans-to-laggards but in the form of productive investments in the deficit, low productivity regions. Without such recycling of savings and surpluses, both Germany and Portugal will suffer in the long run and the whole eurozone will be going from weakness to weakness. But there is another reason for which we think Germany has good cause to accept this new role for the EIB. Lest we forget, the New Deal stalled when President Roosevelt temporarily tried to balance the federal budget. He also was challenged by the Supreme Court to end the policy mix involved. But when Roosevelt won a second term he gained confidence and got recovery going again. And the result? The recovery convinced a generation of Americans that governments could deliver. A bond-funded economy allowed the US to fight WW2 and emerge with the dollar as the global reserve currency. The New Deal's success inspired the Marshall Plan which helped rebuild a shattered Europe. Germany is a major beneficiary of this. It owes itself and the rest of Europe, if not the world, to re-learn a lesson once better understood.

Texte 5. Une typologie des prises de position

“Whither Europe? The Modest Camp vs the Federalist Austerians”

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Ce document annexe est une reproduction de l'article [“Whiter Europe? The Modest Camp vs the Federalist Austrians”](#) publié par *OpenDemocracy*. *Free thinking for the world* en juin 2014.

Proposals are multiplying – especially as evidence mounts that the crisis is continuing, despite all the official announcements of its end. Why not save Europe *today*, so that we can consider, in due course, how best to proceed with deeper, more difficult measures later on?

Soon after the Great Crisis of the Eurozone struck, Europe decided to treat it *piecemeal* – as though each affected country had committed separate and unrelated policy errors. The governing institutions of Europe denied that the difficulties of Greece, Ireland, Spain, Portugal and Italy could be part of a single disaster, spanning at once the realms of banking, public debt and investment.

They placed the full burden of adjustment on the crisis countries – a burden that those countries could not meet, and with a goal, to restore “confidence,” that could never have been achieved by the means chosen. As a result, Europe now faces a chronic depression in its periphery, powerful deflationary forces everywhere else, and a loss of legitimacy in the eyes of its citizens, as the recent European Parliament elections made clear.

Yet from the start, there were voices and proposals that insisted on the systemic, continental, European nature of the crisis. These voices are now returning to the stage. Indeed proposals are multiplying – especially as evidence mounts that the crisis is continuing, despite all the official announcements of its end.

This article catalogues and describes the new proposals, and argues that they boil down to a choice between two main camps, both of which first emerged quite early on. These are: 1) a ‘Federalist Camp’, who favour a greater concentration of powers in Brussels, and so the constitutional and treaty changes required to bring that concentration into effect, and 2) a ‘Modest Camp’, whose recommendations could be implemented immediately and without major ‘constitutional’ or treaty changes.

Common ground

The common ground between the two camps consists in their agreement that the crisis is a crisis of the Eurozone, and in their agreement that, as such, the crisis is far from over.

A group of eleven German economists, known collectively as the Glienicker Gruppe,^[i] have prefaced [their manifesto](#) (October 2013), with the warning that: “the complacency of large sections of the German public with regard to the euro crisis is not only unfounded: it is dangerous”. Even more poignantly, they suggest that, while the Eurozone’s original rules were right and proper, if their post-2008 enforcement “causes incalculable damage, neither debtors nor creditors will believe the assertion that states must take direct responsibility for themselves. The architecture of the euro area can only be sound and stable if it prevents such collateral damage.”

Another, older document, for which we are responsible as co-authors,^[ii] known as the [Modest Proposal](#) (April 2010, revised July 2013), states that: “Europe is fragmenting. While in the past year the European Central Bank has managed to stabilise the bond markets, the economies of the European core and its periphery are drifting apart. As this happens, human costs mount and disintegration becomes an increasing threat.”

Much more recently, a group of fourteen French economists, fronted by Thomas Piketty,^[iii] issued [its own manifesto](#) arguing that the “...European Union is experiencing an existential crisis. This mainly involves the Eurozone countries, which are mired in a climate of distrust and a debt crisis that is very far from over: unemployment persists and deflation threatens. Nothing could be further from the truth than imagining that the worst is behind us.”

A month before that, yet another group of economists, co-chaired by Joseph Stiglitz and Jean-Paul Fitoussi (and including one of us), [issued a document](#) which states that: “The EU’s political fragility has been made worse by the damage the on-going crisis has inflicted and continues to inflict on its citizens, on its economies and welfare systems, and increasingly, on the quality of its democracies.”^[iv]

Thus a variety of groups of economists of different persuasions and nationalities, have reached the same conclusion: that current policies threaten the European project, jeopardize any chance for shared European prosperity, and are poisoning European democracy into the bargain.

Yet the solutions proposed by these groups differ quite fundamentally. Before one can understand what is on offer, and how the proposals differ, it is useful to look at their origins.

A brief history of the various proposals

The first two proposals appeared in 2010. The [Bruegel Blue Bond](#) (BB) proposal^[v] (which was later augmented in 2011 by Bruegel's [Comprehensive Solution to the Euro Crisis](#)^[vi]) and our [Modest Proposal](#) (MP) addressed the three sub-crises that made up the broader crisis of the euro: *public debt*, *insolvent banks* and *low investment*.

- On the public debts, both BB and MP suggested that the debt of member-states be split into two parts: a 'good' and a 'bad' part ('blue' and 'red' parts according to BB, or 'Maastricht Compliant' and 'Maastricht Violating' parts according to MP).^[vii] The two proposals also recommended that the 'good', 'blue' or 'Maastricht Compliant' be 'Europeanised'.^[viii]
- On the banks, BB and MP recommended disentangling the insolvent banks from the fragile member-states by assigning to the newly formed European Financial Stability Mechanism (which later morphed into the European Stability Mechanism) the role that TARP (the Troubled Assets Relief Program) had played in the United States; that is to recapitalize the failed banks directly.
- On investment, the two proposals argued that sorting out public debt and banking losses would *not* suffice for the purposes of restoring growth.

While BB and MP were similar in some respects, their differences were also significant. And the differences led to divergent proposals later on, when other economists took up and built on (especially) the original BB suggestions. So, to understand the recent crop of blueprints, and the reasons why they differ as much as they do, it helps to analyze the differences between the two proposals that came out in 2010: BB and MP.

Different public debt reduction strategies: BB recommended that the "good" part of a member-state's debt be 'Europeanised', or pooled, using common bonds – or eurobonds – that are jointly backed by all member-states. Participation of a particular member-state in eurobonds would be conditional on a pledge to drive that member-state's 'bad' public debt (i.e. that part which exceeded the Maastricht criteria of 60 percent of GDP) to zero within a specified period and would have to be vetted by a newly established Independent Stability Council (ISC) *and* by each and every Eurozone member-state parliament. BB was adamant on its strict, and cumbersome, conditionality:

"In order to be admitted to the Blue Bond scheme, countries would have to convince the ISC that their fiscal policy is credible enough to be insured (via the joint and several liability) by the most credible countries of the euro area. For example, one could imagine that a country would not be allowed into the Blue Bond pool if it did not have a binding fiscal rule, analogous to the one inserted by Germany into its constitution." [BB, 2010]

But why would pooling debts from *crisis* countries lead to a lower interest rate on those debts? Surely, the joint interest rate must be higher than, say, Germany would pay for its own public debt. It is hard to see why German taxpayers would provide this ballast which, in

any event, might end up with interest rates that are not only too high for Germany but also insufficiently low for the crisis countries. Furthermore, it would do nothing to relieve the severe austerity that BB *de facto* demands of the crisis countries: the conditionality clause committing them to eliminate their “bad” debt within a pre-agreed period (and independently of their growth performance). Whether German taxpayers would be placated by the formation of an ISC, and by the veto power of national parliaments, is uncertain. But what is certain is that these provisions would introduce a degree of insufferable inflexibility into a scheme of uncertain effectiveness.

For this reason the MP suggested a simple alternative to issuing jointly issued and severally guaranteed bonds, or eurobonds, with eighteen parliamentary approvals, plus the green light from an ISC, as pre-conditions: Upon a simple request from a member-state, the ECB should service a portion of each maturing government bond equal to the member-state’s ‘good’, ‘blue’ or ‘Maastricht Compliant’ debt.

And how would the ECB pay for this ‘servicing’? By issuing its own bonds (ECB-bonds) and then passing on the cost of servicing these bonds to the member-state on whose behalf the ECB issued them.[\[ix\]](#) This would assuredly reduce interest rates on that portion of the debt, since the ECB bonds would secure ultra-low interest rates without imposing any requirement on say, German taxpayers. It would also reduce the risk of the *non-compliant* (or ‘red’ in BB’s parlance) tranche, in each country, thus lowering the overall interest burden on the crisis countries. Overall, the present value of Eurozone-wide public debt would fall by at least one third overnight, without having the surplus countries back, or buy, the debts of the deficit ones.

As for conditionalities, there would be none, except that the participating member-state would agree to grant super-seniority status to its debt to the ECB. No joint liability between the government of Germany and of Portugal, no parliamentary approvals, no new ISC, no destructive austerity measures in order to eliminate the ‘red’, Maastricht-violating parts of public debts.

Different strategies for growth: BB and MP differed also on the method for boosting public investment and the conditions to be imposed on member-states. BB promoted IMF-style structural adjustment programs (SAPs) for the European periphery, in precisely the same way that the latter had been imposed on developing nations prior to 2008. It recommended that the EU’s unspent structural adjustment funds, amounting to no more than 0.8% of Euro Area GDP, be disbursed for public investments in the crisis countries, only after the latter had implemented the usual array of IMF-like structural reforms, with the emphasis on ‘labor market flexibility’, privatization and so forth. A year later, the IMF-SAP logic in BB was articulated fully in the Chatham House (CH) [Real Marshal Plan](#) proposal (June 2012).[\[x\]](#)

MP countered BB's proposal on two grounds: First, an investment drive of 0.8%, even 1%, of Euro Area GDP was far too feeble. MP counter-proposed a New Deal-like injection of up to 8% of Euro Area GDP, or ten times the BB proposal. Second, MP ruled out extracting the funds necessary from the EU budget or through heavier taxation. MP proposed, instead, an Investment-led Recovery Program administered by the European Investment Bank (EIB) and its sister organization the European Investment Fund (EIF), without any formal guarantees or fiscal transfers by member states.

The EIB-EIF would raise the entire amount from the money markets - as the EIB has been doing for decades - with the ECB standing behind the EIB-EIF either directly (through supportive net ECB-bond issues that pooled the risk between the ECB and the EIB-EIF [\[xi\]](#)) or, as might be preferred today by the ECB's Governing Board, through quantitative easing that takes the form of ECB purchases of EIB-EIF bonds in the secondary markets. Either way, the yields on these bonds would be kept low while the EIB-EIF are administering a large-scale investment program capable of getting Europe back on its feet.

In summary, the two main proposals that emerged in 2010 were united in their determination to address the crises of public debt, of banks and of substandard investment. However, they differed in two important ways:

On public debt: BB's proposal would pool the periphery's 'good' part of public debt by having Germany (and other surplus countries) take on a measure of this debt on behalf of the deficit nations and in exchange for stringent austerity in the periphery that would serve the purpose of eliminating their 'bad' debts.

- MP would restructure the public debt without any fiscal transfers, without any guarantees of the crisis countries' debts by the surplus nations, and without further destructive austerity.

On public investment: BB envisioned the imposition of IMF-like SAPs, in exchange for tiny doses from the EU's unspent structural funds pool.

- MP recommended a European New Deal run by the European Investment Bank (and the European Investment Fund) and funded by the EIB-EIF itself, with the ECB's backing. This would require no increase in taxation either at the EU or at the member-state level and, therefore, no fiscal transfers.

Federalist Austerians: Three recent proposals stemming from the original Bruegel Plan (BB)

In November 2011 Germany's *Council of Economic Advisors* borrowed heavily from Bruegel's 'Blue Bond' proposal (BB) to present its idea for a [European Debt Redemption Fund](#) (ER). As in BB, the ER proposal was all about eliminating the 'bad' debts through a deal between surplus and deficit member-states according to which: (a) surplus nations would agree to

mutualize part of the debt of the crisis states, and (b) the crisis states would agree to run down these 'bad' debts (down to the Maastricht-compliant level) within a period of twenty years (give or take) through substantial primary budget surpluses.

There were three innovations of ER over BB. First, instead of mutualizing (through jointly and severally issued eurobonds) the periphery's 'good' or 'blue' debts, ER recommended that 'bad' or 'red' debts should be mutualized in the same manner. Secondly, the participating crisis states would introduce German-style debt brakes in their constitutions. Thirdly, they would offer collateral to the European Redemption Fund (in the form of gold and foreign exchange reserves, as well as public assets) that would be forfeited if agreed debt reduction strategies were abandoned or pursued too meekly.

Both BB and ER required the issue of common bonds, or jointly and severally issued eurobonds. But these were ruled out both by the German government and by the German constitutional court, for violating the no fiscal transfer (or no bailout) clause of existing Treaties, even if they were meant to be temporary.^[xii]

In October 2013, the Glienicker Gruppe of German economists issued [their manifesto](#) (GG) taking the ER and BB proposals to the final step. Accepting the Court decision, GG suggested a treaty revision to legalize temporary eurobonds. And since the Treaty was to be changed, GG added to the revised Treaty provisions for a Euro-government that would be funded by 0.5% of the member-states' tax revenues, that would administer a common unemployment insurance fund, and that would ensure austerity in the periphery never reaches the point of degrading essential public goods and services.

Moreover, GG recommended that a new chamber of the Euro-Parliament be convened, to approve and to supervise the aforementioned Euro-government, comprising the Members of European Parliament (MEPs) from the Eurozone.

More recently still, [another manifesto](#) was published, this time in France by a group of fourteen economists headed by Thomas Piketty (see note 3). The [Piketty Group](#) (PG) accepts GG's basic principles and takes them further in the following two ways: First, PG amend GG's Euro-Parliament idea slightly, arguing that it should be made up not of MEPs but of national parliament representatives in proportion of the population of each Eurozone member-state.^[xiii] Second, PG argue that the Euro-government should be funded not from the member-states' general tax revenues but, exclusively, by pooling together a proportion of corporate taxes.^[xiv] Otherwise, PG is a variant of GG and represents an attempt to re-build the Franco-German axis, at least in the realm of manifestoes on how to fix the Eurozone.

The Modest Camp: The Modest Proposal 4.0 (MP) and The Call for Change (CC)

In July 2013 our [Modest Proposal](#) was revamped, and published (as Version 4.0) with the endorsement of M. Rocard, formerly France's Prime Minister. The main amendments were three.

First, instead of the so-called Banking Union to which Europe's leaders recently agreed, MP recommends a step-by-step approach to banks, beginning with the banks that need public funds to be recapitalized. These, and only these banks, we argued, should be recapitalized directly by the European Stability Mechanism (in exchange for equity that stays with the ESM), with new Boards of Directors appointed by the ECB supervisors. Once cleansed of bad assets, banks can be sold back to the private sector, thus repaying the ESM with interest.

Secondly, having already recommended that the EIB-EIF ought to issue enough bonds, without any guarantees from member-states, to fund an investment-led recovery program to the tune of 8% of Euro Area GDP, we proposed that the ECB ought to step into the secondary bond market and purchase as many of the EIB-EIF bonds as are necessary to keep the EIB-EIF bond yields at their present, ultra-low levels. This means that the ECB would enact quantitative easing (as it ought to at a time of zero interest rates and deflationary headwinds) by buying AAA-rated bonds that: do not violate any Treaty; do not count against national debt limits; and which are not backed by member-states. This is precisely what the EIB-EIF bonds are![\[xv\]](#)

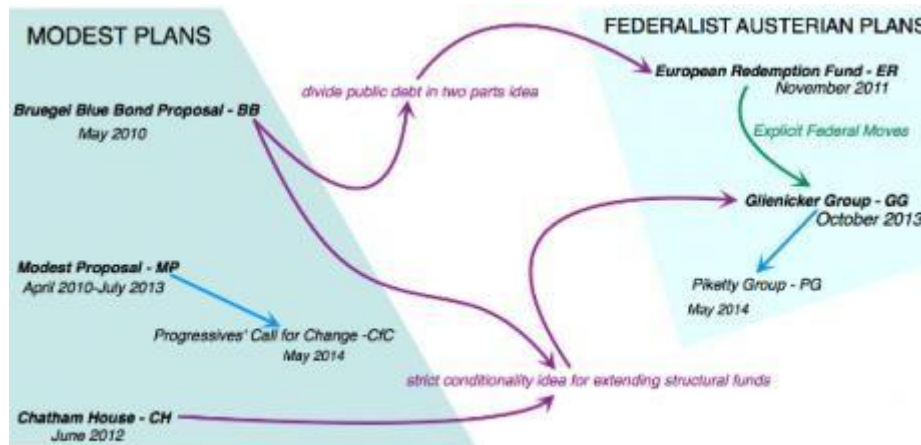
Thirdly, MP4.0 included a policy for combating a fourth crisis, the result of four years of policy paralysis and self-defeating austerity. This is a policy to address the human and social crisis of the Eurozone. Specifically we propose a program of social solidarity, focused on food and energy security for the most vulnerable Europeans in the countries too impoverished by the crisis to provide it.

Unlike the Federalist Austerian proposals (PG-GG-ER), MP does not recommend the creation of a Euro-government to administer this, nor does it propose pooling of taxes. Instead, it advocates a food and energy stamp program to be funded by the accumulating interest on the European System of Central Banks' internal accounting system known as TARGET2. These may be supplemented by other Eurozone-wide financial transaction taxes, as they come on stream in the future).[\[xvi\]](#)

In May 2014, the Scientific Board of the Progressive Economy Foundation of European Socialists and Social Democrats, co-chaired by Joseph Stiglitz and Jean-Paul Fitoussi (and co-signed by one of us[\[xvii\]](#)) issued its own manifesto, entitled [A Call for Change](#) (CC) drawing heavily upon the MP proposals on banks, public debt, investment-led recovery and social

solidarity, and extending its analysis and focus to matters touching upon social justice and inequality.

As Prime Minister Rocard says in his preface to the Modest Proposal's Version 4.0, while there is nothing modest about its ambition, it is nonetheless modest in that it requires no Treaty changes nor the federal moves advocated by the Federalist Austerians.



The origins and evolution of Modest and Federalist Austerian plans

Note that the first plans, BB, MP and CH, were all of the modest variety, in that they were intended to be implemented without Treaty changes and, certainly, without federalism. CH was not comprehensive enough – it had no plan for public debt or the banking crisis – and was incorporated alongside BB into the ER – which had to move in a Treaty Change-Federal direction as the jointly and severally issued eurobonds necessitated Treaty changes and even a Euro-government. This is something that GG and then PG acknowledged. That left only MP, and then CC, as the “modest plans.”

Two key issues: austerity and treaty changes

First key issue: austerity, or not?

The [Glienicker Gruppe manifesto](#) (GG) says almost nothing specific about austerity, beyond the general comment that it must not be pushed too far:

“It is therefore inevitable that taxpayers will have to shoulder a large share of the burdens of the crisis, and suffer painful reforms. But the limit of responsibility when livelihoods are threatened. If in Greece, Portugal or Spain, a whole generation is deprived of their chance to live a productive life, it is not just a Greek, Portuguese or Spanish problem, but one that affects us all as citizens of the EU.”

This is a worthy sentiment but it does not tell us what is to be done. Later in the document, it becomes clear that, for GG, the very purpose of a European government is more effective implementation of binding austerity measures. This is inescapable as GG is based on the

2011 ER, which was based on the original 2010 BB, the purpose of which was to ‘trade’ eurobonds (to which Germany would concede) for a large-scale austerity drive in the periphery. GG states:

“As long as member states comply with their obligations, this may involve only non-binding recommendations. If a member state, however, *violates the stability criteria*, the economic government *must be able to make binding stipulations of how much the state as to save* – the state will keep the decision where to save.” (Italics added)

It is not clear how the ‘binding stipulations’ would differ in practice from the current regime of the troika, except that they would be imposed by a new Euro-government with more legitimacy than the troika can muster. Apart from this, GG merely calls for limited central support of essential public goods, funded by a ‘membership fee’.

The [Piketty Group](#) (PG) welcomes the Glienicker language, describing it as proposals to “strengthen the political and fiscal union of the eurozone countries.” The declared purpose of PG is to “take the proposals of the Glienicker Gruppe still further.” Nowhere does PG take exception to the concept of *binding stipulations* for a state that *violates the stability criteria*. This is so because it shares GG's commitment to the 2011 European Redemption Fund, which is fundamentally austere in logic. Thus it joins in calling for Treaty changes that will create the strong Euro-government to implement the austerity programs that, to date, have not been sufficiently severe.

In contrast, the [Modest Proposal](#) proposes:

... a European New Deal which, like its American forebear would lead to progress within months, yet through measures that fall entirely within the constitutional framework to which European governments have already agreed.

Instead of securitizing the toxic parts of Eurozone member debts (as ER,GG and PG recommend), the [MP](#) would have the European Central Bank issue bonds to cover the Maastricht-compliant *first* 60 percent – the safest portion – of each participating country's national debt. Simultaneously, the ECB would back an Investment-led Recovery Program, funded and administered by the European Investment Bank and the European Investment Fund. The MP's plan would therefore ease the debt crisis. It would do so without requiring further destructive austerity measures, without further non-credible long-term debt-reduction charades, without joint debt issues by deficit and surplus member states, and without appeals to the risk-takers in the private financial markets.

The Progressive Economy Foundation's [Call for Change](#) is anti-austerity too. It recommends:

...a comprehensive policy involving income stabilisation, a more considered and growth-oriented approach to fiscal consolidation, increased social and infrastructure investment, debt restructuring, and social support would have produced both stronger economic performance and a better debt and financial outlook.

Both the MP and the CC place their emphasis mainly on growth, investment, debt-restructuring and the deployment of existing institutions so as to 'Europeanize' part of the public debt, the failed banks, the funding of large scale investment projects, and the relief of food and energy deprivation amongst Europe's citizens who have been struck by the crisis. And to do this with *no* fiscal transfers, *no* German or Dutch guarantees of Greek or Portuguese debt, *no* tax financing whatsoever.

On austerity, a further difference concerns the fiscal requirements for an investment or social-solidarity program. Amongst the Federalist Austerians, the PG would turn to pooled corporate taxes, while the GG would impose a levy on national tax revenues. But neither would spend more than revenue raised. Even if the intended investment were large, its multiplier effect would be small.[\[xviii\]](#) This is not a counter-austerity or an anti-crisis program, but one that keeps repeating the tired call for more 'labour market flexibility'.[\[xix\]](#) In contrast, the Modest Proposal's Investment-led Recovery Program is both large (8% of Euro Area GDP) and funded by harnessing the idle savings now sloshing around in the global financial markets.

Second key issue: Treaty changes?

The second key issue separating the two camps (Modest and Federalist Austerian) concerns the need for a new European Treaty. To support their modified austerity regimes, the Glienicker and Piketty Groups both call for radical restructuring of the European Union and the Eurozone. In particular, they call for the creation of a new Euro-government, complete with a Euro-Parliament or Euro-Chamber. Neither flinches from the task of writing the new European Treaty that this would require.

The *Modest Proposal* takes a different view. MP argues that if the crisis remains severe (as all groups agree) then impossible objectives should not be set; especially if they are also unnecessary *and* undesirable.[\[xx\]](#) Instead, the key tasks are first to stabilize Europe, to bring about an atmosphere of genuine European solidarity, to stop the economic and political fragmentation of the Continent (so far as possible within the existing European Treaties) and, only then, to debate the possibility of a Federal Europe.

In the [article outlining his group's manifesto](#), Thomas Piketty dismisses concerns that Treaty changes are unlikely to be passed by our eighteen electorates (in the middle of the current crisis) as "false and dangerous". He adds: "The treaties are being modified constantly, as was

the case in 2012, when the matter was settled in a little more than six months. Unfortunately, this was a poor reform.”

Indeed it was. The only reason it passed was that it was fiercely promoted by Germany, so as to strengthen the iron cage in which the periphery, and France, are now confined. A new Euro-government, as GG and PG propose, would pass only if it were meant to solidify this iron cage further.

At this date, we believe that changes in policy must come immediately, and must be sought within the existing Treaties. Only then will they (a) succeed and (b) allow Europe a chance to design future institutions whose logic will not be that of perpetual austerity, inequality and domination.

The [Modest Proposal](#) is designed for this purpose. Each of its elements – ECB bonds, case-by-case bank resolution, an investment program and a solidarity fund – can be implemented by existing authorities within the time permitted by the gravity and urgency of the crisis. And that time, we believe, is short.

The [Modest Proposal](#) and [The Call for Change](#) thus ask: *Why not us? Why not now?* Why not act with the powers at hand? Why not take the feasible steps? Why not solve the problems we can solve with the tools that we have? Why not save Europe *today*, so that we can consider, in due course, how best to proceed with deeper, more difficult measures later on?

That is the question.

[\[i\]](#) The Glienicker Gruppe comprises Armin von Bogdandy, Christian Calliess, Henrik Enderlein, Marcel Fratzscher, Clemens Fuest, Franz C. Mayer, Daniela Schwarzer, Maximilian Steinbeis, Constanze Stelzenmüller, Jakob von Weizsäcker, Guntram Wolff.

[\[ii\]](#) The [Modest Proposal for Resolving the Euro Crisis](#) was co-authored by Yanis Varoufakis, Stuart Holland and James K. Galbraith.

[\[iii\]](#) The Piketty Group (PG) includes, besides Thomas Piketty: Florence Autret, Antoine Bozio, Julia Cagé, Daniel Cohen, Anne-Laure Delatte, Brigitte Dormont, Guillaume Duval, Philippe Frémeaux, Bruno Palier, Thierry Pech, Jean Quatremer, Pierre Rosanvallon, Xavier Timbeau, Laurence Tubiana.

[\[iv\]](#) The European Progressive Policy initiative was launched in 2013 by the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament. It is made up of: Joseph E. Stiglitz, Jean-Paul Fitoussi, Peter Bofinger, Gosta Esping-Andersen, James K. Galbraith, Ilene Grabel, Stephany Griffith-Jones, András Inotai, Louka T. Katseli, Kate Pickett,

Jill Rubery, Frank Vandenbroucke. The policy document they issued is entitled [A CALL FOR CHANGE: From the Crisis to a New Egalitarian Ideal for Europe](#).

[v] See Bruegel's [Blue Bond Proposal](#), May 2010, authored by Jacques Delpha and Jakob von Weizsacher.

[vi] Authored by Zsolt Darvas, Jean Pisani-Ferry, André Sapir February 2011

[vii] Where the 'good', 'blue' or 'Maastricht Compliant' debt equalled debt up to 60% of a member-state's GDP; the rest being labelled 'bad', 'red' or 'Maastricht Violating' debt.

[viii] Quoting from BB (2010), its authors' main proposal was to institute:

"Blue Bonds: EU countries should pool up to 60 percent of GDP of their national debt under joint and several liability as senior sovereign debt, thereby reducing the borrowing cost for that part of the debt.

Red debt: Any national debt beyond a country's Blue Bond allocation should be issued as national and junior debt with sound procedures for an orderly default, thus increasing the marginal cost of public borrowing and helping to enhance fiscal discipline.

Independent Stability Council (ISC): Blue Bond allocations to member states are to be proposed by an ISC and voted on by member states parliaments in order to safeguard fiscal responsibility."

In contrast, MP (2010) stipulated:

"The creation of ECB bonds for the levels of debt already allowed for by the Maastricht Treaty (60% of a country's GDP) will pool Europe's borrowing resources together and ensure that, as long as a country stays within the Maastricht debt limits, it will be paying the same interest on its debt. Compared to the EFSF, which generates terrible risks similar to those of the toxic derivatives on the basis of interest rate differentials (see Appendix A), this simple tranche transfer will lower systemic risks significantly. Moreover, a 'tranche transfer' would not be a debt write-off. The member states whose bonds are transferred to the ECB would be responsible for paying the interest on them, but at much lower rates. Additionally, by issuing ECB bonds, it would attract investments from the Central Banks of surplus economies (i.e. China, Japan,) and also sovereign wealth funds (e.g. Chinese, Norwegian, UAE) which are seeking to diversify the way their surpluses are invested. Indeed, that could herald the rise of the euro as a true reserve currency."

[ix] The idea here is that the ECB, upon issuing its bonds to service, say the Maastricht Compliant portion of a maturing Italian bond, will simultaneously open a debit account for Italy in which the Italian state will be committed to paying the monies necessary for servicing the coupons and the final redemption of these ECB bonds.

[x] The author of which was Nicholas Crafts. The full title of **CH** was: [Saving the Eurozone: Is a 'Real' Marshall Plan the Answer?](#), June 2012.

[xi] The MP stated:

“Member-states, regardless of whether they have chosen or not to participate in the tranche transfer of their Maastricht-compliant debt (N.b. recall the MP’s proposal for the issue of ECB-bonds for the purposes of alleviating member-states’ ‘good’ or ‘blue’ debt) are now invited to co-finance, along with the EIB, 50% of the cost of new investment projects, that are approved by the EIB, through a bond account held by the ECB. The ECB issues the bonds necessary for the purpose on behalf of the member-state, this new debt does not count as part of the national debt but, however, it is serviced by the member-state from the revenues of the projects and by means of long-term amortisation of their existing debit account at the ECB.”

[xii] Member-states, regardless of whether they have chosen or not to participate in the tranche transfer of their Maastricht-compliant debt (see **Policy 1**) are now invited to finance investment projects that are approved by the EIB through an e-bond account held by the ECB. The ECB issues the e-bonds necessary for the purpose on behalf of the member-state, this new debt does not count as part of the national debt but, however, it is serviced by the member-state by means of long term amortisation of their existing debit account at the ECB.

[xiii] The argument here being that national Parliaments maintain the right to tax and spend, and this right cannot be passed on to MEPs.

[xiv] PG argue that this will also help prevent some countries (like Ireland) from playing the tax-optimisation, beggar-thy-neighbour game.

[xv] See [this article](#) for more on this recommendation.

[xvi] The reason for recommending that TARGET2 ‘profits’ are used in this manner, to fund food stamps and minimal energy provisions for the weakest Euro Area citizens, is that they are directly proportional to the magnitude of the crisis that is, after all, responsible for the observed deprivation that causes the need for food stamps etc.

[xvii] James K. Galbraith

[\[xviii\]](#) It is true that tax-financed spending is expansionary. Contrary to what many think, when new public spending is exactly matched by new revenue, the economy grows. But the target sums – one-half to one percent of GDP --- are feeble. And the multiplier is small, so an investment program limited to tax receipts or fees will have at best a weak effect on the whole Eurozone. And it is likely that most of that money would be spent in the core economies, where conditions are least grave.

[\[xix\]](#) The Piketty Group makes no mention of European social policy. In this respect, the Glienicker Group makes an important, though qualified statement of necessary action:

The monetary union cannot be permanently stable without a controlled transfer mechanism. ... we need a euro-area insurance mechanism to cushion the fiscal consequences of a dramatic economic downturn. The euro area could therefore establish a common unemployment insurance system, to complement national systems; all countries that organise their labour market in line with the needs of the monetary union could be eligible for participation. This would create a mechanism to counteract deep recessions with automatic European stabilisers.

We hail this statement. Common automatic stabilization played the central role in saving the United States from disaster. A common automatic stabilization for Europe is precisely what has been lacking, precisely what is needed. But there is no need to qualify this need with a call for common organization of labor markets. Stabilization and social-solidarity programs are *per se* essential. And the crisis should have disabused all of the notion that ‘flexible labor markets’ add to the stability or resilience of any economy.

[\[xx\]](#) Undesirable because the proposed Euro-government is envisaged as the enforcer of more self-defeating austerity. And unnecessary because, as the Modest Proposal demonstrates, debt, banks, investment and social solidarity can be ‘Europeanised’ without a new Euro-government or a Euro-Parliament; i.e. without the political tumult of creating them.

Texto 6. DIEM25, 2016

Europe's left after Brexit

By [Yannis Varoufakis](#)

Ce document annexe est une reproduction de l'article [Europe's left after Brexit](#) de Yannis Varoufakis, paru dans la revue *Jacobin* en mai 2016.

In just eleven months, the [Greek "Oxi"](#) and [Brexit](#) shook up both the European Union and Europe's left.

Exasperated by the EU's mixture of authoritarianism and economic failure, a segment of Europe's left is now calling for a "[break with the EU](#)," which would mobilize left-wing support for exit referenda across the continent. Their analysis has come to be known simply as "Lexit."

[DIEM25](#), the transnational Democracy in Europe Movement, rejects the Lexit logic in favor of an alternative agenda for Europe's progressives. Undoubtedly, the Left must confront — with all its energy and imagination — the European Union's practice of depoliticizing decision-making. In fact, this task also falls on other European democrats, Greens, and liberals. These formations may not consider themselves Left, but share our duty to resist Brussels's authoritarian incompetence.

The question is not whether progressive forces must clash with the EU establishment and current practices. The question is in what context, and within what overarching political narrative, this confrontation should take place. Three options present themselves.

Option 1: More Europe

Standard variety euro-reformism — practiced typically by social democrats — calls for "more democracy," "more Europe," and "reformed institutions." But this option is founded on a fallacy: the European Union has never suffered from a democratic deficit that could be rebalanced with more democracy and a few reforms.

As I argue, the EU was [intentionally constructed](#) as a democracy-free zone that would keep the people out of decision-making and defer to a cartel of big business and international finance. Saying that the European Union suffers from a democratic deficit is like saying an astronaut on the moon suffers from an oxygen deficit.

The standard process of inter-governmental deliberations and gradual treaty changes cannot hope to reform the European Union's institutions. For this reason, calls for "more Europe"

are misguided: under the present regime and with the existing institutions, this can only result in a European Austerity Union.

This reformist position would likely formalize and legalize the [Schäuble Plan](#) and grant the European Union the power to veto national budgets, massively curtailing democracy across the federation. In turn, the crisis afflicting Europe's weakest citizens will deepen, the xenophobic right will gain strength, and the EU's disintegration will speed up.

With this in mind, pro-democracy progressives have no alternative besides spearheading a head-on clash with the European Union establishment. This brings us to the second and the third options.

Option 2: Lexit

Tariq Ali, among others, has [eloquently made the case](#) for left-directed exit referenda. Stathis Kouvelakis, post-Brexit, [summed up](#) the position: "we have to play the referendum game, while blocking the forces of the xenophobic and nationalist right from winning hegemony and diverting the popular revolt."

In short, to beat right-wing misanthropy, we have to support their referenda that will remove our states from the EU.

But Lexit is neither realistic nor consistent with the Left's fundamental principles. Most immediately, it is unlikely that exit referenda — movements that have been devised and led primarily by the Right — will help the Left block their opponents' political ascendancy. But further, to do so would be to contradict some of the Left's longest held convictions about social transformation.

The Left used to be good at separating static from dynamic analyses. Since Marx, drawing on Hegel, prioritized process over outcomes, we took into account the direction of change, not just the state of the world. This distinction is crucial for our analysis of the European Union.

For example, the position we should have taken before the creation of the common market and the eurozone cannot be the same after these institutions were established. It was, therefore, perfectly consistent to oppose Greece's entry into the common market and into the eurozone *and*, later, to oppose Grexit.

Even more significantly, our strategy depends greatly on whether we start with a borderless Europe in which workers exercise free movement or with the Europe of the early 1950s where nation-states controlled borders and used them to create a new category of proletarian called *gastarbeiters*. This last point highlights Lexit's danger. Given that the European Union has established free movement, Lexit involves acquiescence to — if not

actual support for — the reestablishment of [national border controls](#), complete with barbed wire and armed guards.

History should guide us. The Left should have demanded common minimum wages in exchange for its support for the single market. Instead, it hoped to enact them after its establishment, a goal that has been frustrated time and again. With that in mind, do Lexit supporters truly believe that the Left can surpass the xenophobic right by endorsing the latter's call for building new fences?

Further, Lexit would have ripple effects. For example, do the plan's proponents believe that the Left will win discursive and policy wars against the fossil fuel industry after supporting the re-nationalization of environmental policy? If the European Union disintegrated under these conditions, the Left would face monumental defeats on both fronts.

Option 3: Disobedience Within the EU

The third option, [proposed by DiEM25](#), rejects both the euro-reformist's call for "more Europe" and Lexit's support for abolishing the EU-level altogether. Instead, we suggest a pan-European movement of civil and governmental disobedience that will produce a surge of democratic opposition to how European Union elites do business at the local, national, and international levels.

At DiEM25, we do not believe that the EU can be reformed through the usual policy-making channels, and certainly not by bending the existing rules on budget deficits by .5 or 1 percent of national income — as France's, Italy's, Spain's and Portugal's governments are doing.

[Vicenc Navarro](#) recently wrote "parliaments still have power, including the power to question austerity policies." This is technically correct, as the Syriza government's first five months in power [demonstrated](#). But Navarro is, regrettably, wrong when he uses the new Portuguese government as an example.

He claims that the Socialist-led coalition "stopped the application of the austerity policies imposed by the European Commission." I wish it were true. But before getting the mandate to [form a government](#) from troika-friendly, right-wing president [Aníbal Cavaco Silva](#), the parties of the Portuguese left had to agree to the previous governments' "commitments to the Eurogroup" — that is, they ceded to the troika's existing program before their government even formed, confining themselves to only delaying the introduction of fresh austerity measures.

So, yes, national parliaments and governments do still have power — the power to do what our Syriza government did during the Athens Spring, before capitulating on the night of the referendum.

With the European Central Bank ready to start a bank run — or even close down a country's banking system — a progressive national government can only use its power if it is prepared for a rupture with the troika. This is where DiEM25 agrees with the Lexit camp: a clash with the European Union establishment cannot be avoided. Where we diverge, however, is in their assumption that this can take the form of a campaign to leave the EU.

We reject this wholeheartedly and suggest instead a campaign of willful disobedience, targeting the European Union's unenforceable rules at the municipal, regional, and national levels while making no move whatsoever to leave. Undoubtedly, the institutions will threaten the rebel governments and finance ministers who adopt DiEM25's agenda with expulsion, with panics, with "bank holidays" — just as they threatened the Greek government, and me personally, in 2015.

When they do, it is crucial not to succumb to the fear of exit but to look them in the eye and say:

Bring it on! The only thing we fear is your sole offering: the perpetuation of the debt-deflationary spiral that drives masses of Europeans into hopelessness and places them under the spell of bigotry.

If we do not blink, then either they will blink — in which case the European Union will be transformed — or the EU will be torn asunder by its own establishment. If the Commission, the European Central Bank, Berlin, and Paris dismember the European Union to punish progressive governments that refuse to abide by their policies, it will galvanize progressive politics across Europe in a manner that Lexit could never do.

Consider the profound difference between the following two situations. First, the European Union establishment threatens progressive, democratically elected governments with expulsion when they refuse to obey its authoritarian incompetence. Second, progressive national parties campaign alongside the xenophobic right for exit.

This is the difference between clashing with the EU establishment in a manner that preserves the spirit of internationalism, demands pan-European action, and differentiates us fully from the xenophobic right, and walking hand-in-hand with nationalisms — and, inescapably, reinforcing their hegemony — while allowing the European Union to portray the Left as indistinguishable from the likes of [Nigel Farage](#) and [Marine Le Pen](#).

Naturally, the DiEM25 agenda must develop strategies that will allow our cities, regions, and nations to rebel against the European Union's threats. It must also include plans to deal with the EU's collapse if its establishment is foolish enough to make good on its threats against disobedient national governments. But these strategies and plans are profoundly different from initiating the European Union's disintegration as the Left's own objective.

In short, DiEM25 refuses to endorse exit as an end-in-itself or even to deploy it as a threat. But we shall not be deterred from governmental disobedience when faced with the threat of forced exit.

A New International

The Left's traditional internationalism founds DiEM25: our position on the European Union reflects precisely this.

I hope my comrades will permit me to remind them that when Marx and Engels adopted “workers of the world, unite” as their slogan they did not reject the importance of national culture or of the nation-state. Rather, they rejected the idea of a national interest and the view that struggles must prioritize the nation-state level.

DiEM25's proposed rebellion would deliver authentic democracy to local governments, national governments, and the European Union. We do not prioritize the EU over the national level — as the reformists do — nor do we prioritize the national over the regional or the municipal level.

Alas, several European leftists insist on the reverse: prioritizing the national over the international. [Stefano Fassina](#), for example, takes DiEM25 to task by arguing — via Ralf Dahrendorf — that democracy at the EU level “is not possible... because a ‘European people,’ a European demos for a European democracy, doesn't exist.” He goes on:

among the idealists and the euro-fanatics, some still think that the European Union can transform itself into a kind of nation-state, only bigger: the United States of Europe.

This left-wing objection to a pan-European movement defies understanding. In effect, it argues that supranational democracy cannot exist because a demos must be characterized by national and cultural homogeneity. I can just imagine Marx's rage at hearing this! Just as I can imagine how puzzled it would leave the left-wing internationalists who dreamed of — and struggled for — a transnational republic.

The Left, lest we forget, has traditionally opposed the bourgeois belief in a one-to-one relationship between a nation and a sovereign parliament. The Left countered that identity is created through political struggle, whether it be class struggle, postcolonial struggle, the struggle against patriarchy, the struggle to smash gender and sexual stereotypes, and so on.

DiEM25, therefore, by [calling](#) for a pan-European campaign of disobedience against transnational elites — in order to create the European demos that will ensure democracy — aligns with the Left's traditional approach. Fassina and others now attack this approach,

arguing for a return to a one-nation-one-parliament-one-sovereignty politics, in which internationalism is reduced to cooperation between nation-states.

Fassina evokes Antonio Gramsci to support his prioritization of the national level. He writes that Gramsci advocated for the

category of “national-popular” to give popular roots and hegemonic capacity to that Italian Communist Party, which in its symbol had the red flag with a hammer and sickle resting on the flag of Italy.

To be sure, Gramsci argued that, to achieve international progress, the Left had to create local and national progressive movements. But he did not prioritize the national over the transnational level nor argue that transnational democratic institutions are either infeasible or undesirable.

In true Gramscian spirit, DiEM25 insists that our European rebellion should happen everywhere — in towns, in regions, in nation-state capitals, and in Brussels — without prioritizing one level over any other. Only through this pan-European network of rebel cities, prefectures, and national governments can a progressive movement become hegemonic in Italy, in Greece, in England — indeed anywhere.

Someone may cheekily ask: “Why stop at the EU level? As internationalists, why don’t you campaign for worldwide democracy?” Our answer is that we do campaign for global democracy from an internationalist perspective. DiEM25 is building strong links with Bernie Sanders’s movement in the United States and is signing up members in Latin America, Australia, and Asia.

But — for better or for worse — history has delivered a borderless EU, with some programs worth preserving. The Left must defend this absence of borders, these climate change policies, even the [Erasmus program](#), which gives young Europeans the opportunity to mingle in a borderless educational system.

Turning against these splendid artifacts of an otherwise regressive European Union would contradict the Left’s core principles.

DiEM25’s Progressive Agenda for Europe

Progressives must fight to re-politicize and re-democratize decision-making. [Donald Trump](#) in the United States, right-wing Brexiters in Britain, and Le Pen in France all rose up in the wake of an economic crisis caused by a twin crisis: the disaster of financialization and the failure of liberal democracy.

The question for Europe's Left, as well as for progressive liberals, Greens, feminists, and so on, is whether this struggle can be won through reform, exit, or, as DiEM25 suggests, a campaign of disobedience within but also against the European Union. DiEM25 was formed to build a genuine alternative: a borderless surge of unifying politics across Europe — EU and non-EU countries alike — based on an alliance of democrats across various political traditions at all levels of political engagement (towns, cities, regions, and states).

To those who dismiss DiEM25's call for a pan-European democratic movement as utopian, our answer is that transnational democracy remains a legitimate, realistic long-term goal, one that resonates with the Left's time honored internationalism. But it must be accompanied by a precise plan for immediate action.

First, oppose any talk of more Europe now, when reform would, under the present circumstances, translate into the iron cage of institutionalized austerity. Second, present Europeans with a blueprint to redeploy existing institutions in order to stem the economic crisis, reverse inequality, and reinvigorate hope. Third, ensure that this blueprint considers how to maintain internationalism in the event that the European Union establishment's incompetent authoritarianism causes the its disintegration.

"The EU will be democratized. Or it will disintegrate!" This remains DiEM25's guiding pronouncement. We cannot predict which will occur, so we struggle for the former while preparing for the latter. And we do this by working towards a progressive agenda that engages the grassroots level and progressive experts.

Its purpose? To defeat the worst enemy of European democracy: euro-TINA, the reactionary dogma that there is no alternative to current policies besides the European Union's dismantlement.

DiEM25's antidote is, indeed, this progressive agenda, which we will be rolling out in consultation with local, regional, and national actors over the next eighteen months. Putting this together will demonstrate to defeated, disheartened, and disillusioned Europeans that, astonishingly, there is an alternative.

The agenda will be pragmatic, radical, and comprehensive, comprising policies that can be implemented immediately to stabilize Europe's social economy, while granting more sovereignty to city councils, prefectures, and national parliaments; proposing institutional interventions that will reduce the human cost if the euro collapses and the European Union fragments; and devising a process that enables Europeans to generate a shared identity with which to bolster their reinvigorated national cultures, parliaments, and local authorities.

DiEM25's Progressive Agenda for Europe will unify a progressive international to counter the nationalist international that is [gaining strength](#) all over the world.

The Way Forward

The European Union has now reached an advanced stage of disintegration. There are two possibilities for its future: either it has not passed the point of no return and can still be democratized, stabilized, rationalized, and humanized. Or disintegration is certain.

DiEM25 believes that dropping a democratization campaign would be a major error in either case. If it is still possible to fashion a democratic European Union — a prospect that seems less and less likely every minute — it would be a pity not to try. But even if we believe that the existing EU is beyond democratization, to abandon the struggle and turn exit into an end-in-itself will play into the hands of the only political force capable of benefiting from such an agenda: the intransigent, xenophobic right.

So, what should progressives do? DiEM25's answer is:

- Campaign vigorously along internationalist lines for a democratic European Union — even if we do not believe that the EU can, or ought to, survive in its current form;
- Expose the European Union's authoritarian incompetence;
- Coordinate civil, civic, and governmental disobedience across Europe;
- Illustrate through DiEM25's own transnational structure how a pan-European democracy can work at all levels and in all jurisdictions;

Propose a comprehensive Progressive Agenda for Europe that will include sensible, modest, and convincing suggestions for fixing the European Union and for progressively managing the EU's and the euro's disintegration if and when the establishment brings it on.

Texte 7. Des propositions de réforme institutionnelle. Manifeste pour une union politique de l'euro

Manifeste pour une union politique de l'euro

16 février 2014

Ce document annexe est une reproduction du [Manifeste pour une union politique de l'euro](#), par sur le site du Monde en février 2014.

Un collectif d'économistes et de politologues, dont Thomas Piketty ou Pierre Rosanvallon, appelle à de profondes réformes démocratiques et notamment à la création d'une chambre parlementaire de la zone euro.

L'[Union européenne](#) traverse une crise existentielle, comme vont bientôt nous le [rappeler](#) brutalement les élections européennes. Cela concerne au premier chef les pays de la zone euro, enfoncés dans un [climat](#) de défiance et une crise de la dette qui est très loin d'[être](#) terminée, alors que le chômage persiste et que la déflation guette. Rien ne serait plus faux que de s'[imaginer](#) que le plus dur est derrière nous.

C'est pourquoi nous accueillons avec le plus grand intérêt les propositions formulées à la fin de l'année 2013 par nos amis allemands du groupe de Glienicke, composé d'experts et de [personnalités](#) proches de la CDU et du SPD, en vue d'un renforcement de l'union [politique](#) et budgétaire des pays de la zone euro.

PUBLICITÉ

Seuls, nos deux pays ne pèseront bientôt plus grand-chose dans l'économie du [monde](#) d'aujourd'hui. Si nous ne nous unissons pas à temps afin de [porter](#) notre modèle de société dans la mondialisation, alors la tentation du repli national finira par l'[emporter](#), et engendrera des frustrations et des tensions à côté desquelles les difficultés de l'Union sembleront joyeuses.

NOUS N'ACCEPTONS PAS LA RÉSIGNATION

Par certains côtés, la réflexion européenne est beaucoup plus avancée en [Allemagne](#) qu'en [France](#). Economistes, politistes, journalistes, et avant tout citoyen(ne)s français(es) et européen(ne)s, nous n'acceptons pas la résignation qui tétanise actuellement notre pays. Par cette tribune, nous voulons [contribuer](#) au débat sur l'[avenir](#) démocratique de l'[Europe](#) et [pousser](#) plus loin encore les propositions du groupe de Glienicke.

Il est temps de le [reconnaître](#) : les institutions européennes actuelles sont dysfonctionnelles, et doivent être repensées. L'enjeu central est simple : il faut [permettre](#) à la démocratie et à

la puissance publique de [reprendre](#) la main, afin de [réguler](#) efficacement le capitalisme financier mondialisé du XXI^e siècle et de [mener](#) les politiques de progrès [social](#) qui manquent cruellement à l'Europe actuelle.

Une monnaie unique avec 18 dettes publiques différentes sur lesquelles les marchés peuvent librement [spéculer](#), et 18 systèmes fiscaux et sociaux en concurrence débridée les uns avec les autres, cela ne marche pas, et cela ne marchera jamais. Les pays de la zone euro ont fait le choix de [partager](#) leur souveraineté monétaire, et donc de [renoncer](#) à l'arme de la dévaluation unilatérale, sans pour autant se [doter](#) de nouveaux instruments économiques, sociaux, fiscaux et budgétaires communs. Cet entre-deux est la pire des situations.

Il ne s'agit pas de [mettre](#) en commun la totalité de nos [impôts](#) et de nos dépenses publiques. Trop souvent, l'Europe actuelle se montre stupidement intrusive sur des sujets secondaires, et pathétiquement impuissante sur les sujets importants.

Il faut [renverser](#) l'ordre des priorités : moins d'Europe sur les sujets sur lesquels les pays membres se débrouillent bien tout seuls ; plus d'Europe quand l'union est indispensable. Concrètement, notre première proposition est que les pays de la zone euro, à [commencer](#) par la France et l'Allemagne, mettent en commun leur impôt sur les bénéfices des [sociétés](#) (IS).

LUTTER CONTRE L'OPTIMISATION FISCALE

Seul, chaque pays se fait [berner](#) par les multinationales de tous les pays, qui jouent sur les failles et les différences entre les législations nationales pour ne [payer](#) aucun impôt nulle part. En cette matière, la souveraineté nationale est devenue un mythe.

Pour [lutter](#) contre l'optimisation fiscale, il faut donc [déléguer](#) à une instance souveraine européenne le soin de [déterminer](#) une assiette commune aussi large que possible et rigoureusement contrôlée. On peut imaginer que chaque pays continue de [fixer](#) son propre taux d'IS sur cette assiette commune, avec un taux minimal de l'ordre de 20 %, et qu'un taux additionnel soit prélevé au niveau fédéral, de l'ordre de 10 %. Cela permettrait d'[alimenter](#) un budget propre de la zone euro, de l'ordre de 0,5 % à 1 % du produit intérieur brut.

Comme l'indique à raison le groupe de Gliénicke, une telle capacité budgétaire permettrait à la zone euro d'[impulser](#) des actions de relance et d'investissement, notamment en matière d'[environnement](#), d'infrastructures et de [formation](#). Mais contrairement à nos amis allemands, il nous semble essentiel que ce budget soit alimenté par un impôt européen, et non par des contributions des Etats.

En ces temps de disette budgétaire, la zone euro doit [démontrer](#) sa capacité à [lever](#) l'impôt de façon plus juste et plus efficace que les Etats, faute de quoi les peuples ne lui donneront pas le droit de [dépenser](#).

Au-delà, il faudra [généraliser](#) très rapidement au sein de la zone euro l'échange automatique d'informations bancaires et [engager](#) une politique concertée de rétablissement de la progressivité de l'impôt sur les revenus et les patrimoines. Tout en menant en commun une [politique](#) active de lutte contre les paradis fiscaux externes à la zone. L'Europe doit permettre d'[apporter](#) de la [justice](#) fiscale et du volontarisme politique dans la mondialisation : c'est le sens de notre première proposition.

INSTITUER UNE CHAMBRE PARLEMENTAIRE

Notre seconde proposition, la plus importante, découle de la première. Pour [voter](#) l'assiette de l'impôt sur les sociétés, et plus généralement pour [débatte](#) et [adopter](#) démocratiquement et souverainement les décisions fiscales, financières et politiques que l'on décidera à l'avenir de mettre en commun, il faut [instituer](#) une Chambre parlementaire de la zone euro.

Nous rejoignons là encore nos amis allemands du groupe de Glienicke, qui hésitent cependant entre deux formules : soit un Parlement de la zone euro regroupant les membres du Parlement européen des pays concernés ; soit une Chambre nouvelle, fondée sur [la réunion](#) d'une partie des députés des Parlements nationaux – par exemple, 30 députés français issus de l'Assemblée nationale, 40 députés allemands issus du Bundestag, 30 députés italiens, etc., en fonction du poids démographique de chaque pays, suivant un principe simple : un citoyen, une voix.

Cette seconde solution, qui reprend l'idée de Chambre européenne formulée par Joschka Fischer en 2011, est selon nous la seule formule permettant d'[avancer](#) vers l'union politique. Il est en effet impossible de [déposséder](#) complètement les Parlements nationaux de leur [pouvoir](#) de voter l'impôt. C'est au contraire en s'appuyant sur les souverainetés parlementaires nationales que l'on peut [bâtir](#) une souveraineté parlementaire européenne partagée.

Dans ce schéma, l'Union européenne comporterait deux Chambres : le Parlement européen actuel, élu directement par les citoyens des 28 pays, et la Chambre européenne, représentant les Etats au travers de leurs Parlements nationaux.

La Chambre européenne ne concernerait dans un premier temps que les pays de la zone euro souhaitant [aller](#) vers davantage d'union politique, fiscale et budgétaire. Mais elle aurait vocation à [accueillir](#) tous les pays de l'UE acceptant d'aller dans cette voie. Un ministre des

[finances](#) de la zone euro et à terme un véritable gouvernement européen seraient responsables devant la Chambre européenne.

SORTIR DE L'INERTIE ACTUELLE

Cette nouvelle [architecture](#) démocratique de l'Europe nous permettrait enfin de [sortir](#) de l'inertie actuelle, et du mythe selon lequel le Conseil des chefs d'Etat pourrait [tenir](#) lieu de seconde Chambre représentant les Etats. Cette mauvaise fable signe l'impuissance politique de notre continent : il est impossible de [représenter](#) un pays par une seule personne, sauf à se [résigner](#) au blocage qu'impose l'unanimité.

Pour [passer](#) enfin à la règle de la majorité sur les décisions fiscales et budgétaires que les pays de la zone euro choisiront de mettre en commun, il faut [créer](#) une véritable Chambre européenne, où chaque pays serait représenté par des députés représentant tous les bords politiques, et non par leur seul chef d'Etat.

Beaucoup s'opposeront à nos propositions en arguant du fait qu'il est impossible de [modifier](#) les traités, et que le peuple français ne veut pas d'un approfondissement de l'intégration européenne. Ces arguments sont faux et dangereux. Les traités sont modifiés en permanence, et ils l'ont encore été en 2012 : l'affaire fut réglée en guère plus de six mois. Malheureusement, il s'agissait d'une mauvaise réforme des traités, qui n'a fait qu'[approfondir](#) un fédéralisme technocratique et inefficace.

Clamer que l'opinion n'aime pas l'Europe actuelle, et en [conclure](#) qu'il ne faut rien [changer](#) d'essentiel à son fonctionnement et aux institutions en place, est une incohérence coupable. Lorsque de nouvelles propositions de réforme des traités viendront du gouvernement allemand, dans les mois qui viennent, rien ne dit qu'elles seront plus satisfaisantes que celles de 2012. Plutôt que d'[attendre](#) les bras ballants, il est nécessaire qu'un débat constructif s'engage aujourd'hui en France, pour que l'Europe devienne enfin sociale et démocratique.

Lire également : [Mettre en commun les dettes de nos pays](#)

Collectif Signataires

Ce texte reproduit l'essentiel d'un appel auquel les personnes intéressées peuvent se joindre. Le texte intégral et la liste complète des signataires sont accessibles sur Pouruneunionpolitiquedeleuro.eu

Il a été signé, entre autres, par : **Antoine Bozio**, directeur de l'Institut des politiques publiques; **Julia Cagé**, économiste à Harvard, Ecole d'économie de Paris; **Anne-Laure Delatte**, économiste au CNRS, université Paris-X et OFCE; **Brigitte Dormont**, professeure à l'université Paris-Dauphine; **Guillaume Duval**, rédacteur en chef d'*Alternatives économiques*

; **Bruno Palier**, directeur de recherches au CNRS, Sciences Po; **Thierry Pech**, directeur général de Terra Nova; **Thomas Piketty**, directeur d'études à l'EHESS, professeur à l'Ecole d'économie de Paris; **Pierre Rosanvallon**, professeur au Collège de France, directeur d'études à l'EHESS; **Xavier Timbeau**, directeur du département Analyse et prévision, OFCE, Sciences Po; **Laurence Tubiana**, professeure à Sciences Po, présidente de l'Iddri.

Texte 8. « Mener le rapport de force jusqu'au bout »



Sommet Internationaliste du plan B

« Mener le rapport de force jusqu'au bout »

Contribution de la Commission économie du Parti de Gauche

Introduction

Le Parti de Gauche et sa Commission économie mènent depuis cinq ans déjà une réflexion approfondie sur la nécessaire désobéissance aux traités actuels régissant l'ordre économique et monétaire européen. En 2010, le colloque « Gouverner face aux banques » organisé par Jacques Généreux engageait une réflexion sur la question de la reprise en main du système financier. La question européenne et monétaire a également fait l'objet de plusieurs contributions du Parti, notamment la résolution sur l'euro de 2011. Dans l'ensemble de ses travaux, la Commission économie du PG a toujours assumé qu'aucun sacrifice ne devait être fait pour l'euro, et que si nous étions amenés à choisir entre l'application de notre programme et le maintien dans la zone euro, nous en sortirions plutôt que de renoncer au mandat que nous aura confié le peuple français.

Les épisodes ayant suivi l'arrivée au pouvoir de Syriza ont confirmé la justesse d'une approche offensive pour provoquer le changement d'orientation européenne souhaité. Le succès de nos négociations ne se fera pas sans mener le rapport de force, c'est-à-dire sans plan B, crédible et réaliste. Les cinq mois de négociation du gouvernement d'Alexis Tsipras ont été pensés dans le cadre d'un échange raisonné. Il s'agissait de convaincre les partenaires européens de leur erreur d'appréciation concernant les origines de la crise européenne et donc de la manière d'en sortir.

Le positionnement des créanciers reposait moins sur les implications *économiques* d'une rupture que sur l'analyse de ses coûts et bénéfices *politiques*. L'Union européenne actuelle est un espace où technocratie et oligarchie financière arbitrent désormais les décisions politiques, comme l'ont montré les décisions de l'Eurogroupe ou de la BCE. Le maintien du pouvoir oligarchique et technocratique se fait au prix d'une dégradation économique et sociale croissante pour une majorité de citoyens européens. Sans rupture réelle, il n'y a pas d'alternative crédible à l'ordolibéralisme actuel. Et sans se donner les moyens de mettre cette rupture en place, le mouvement socialiste et révolutionnaire européen enchaînera les renoncements.

Dans un ordre européen où « il ne peut y avoir de choix démocratique contre les traités » (J.C. Juncker), la souveraineté populaire doit donc à nouveau faire la preuve de sa puissance légitime en assumant la confrontation jusqu'au bout, et ce dans le cadre national. Le recours immédiat au rapport de force doit primer sur la négociation économique raisonnée : sans sortir du cadre actuel, notre programme ne peut pas s'appliquer et aucune refondation coopérative de l'Europe n'est possible. Le plan B, c'est donc pour nous ce qui doit permettre à la France de forcer le changement en Europe, c'est-à-dire de négocier le plan A. En réalité, la principale leçon de l'expérience Syriza est *qu'il n'y a pas de plan A sans plan B*. Le plan B devra démontrer sa maîtrise des leviers d'action du pouvoir illégitime au sein de l'Union économique et monétaire (comme les banques), afin d'en limiter la force de nuisance.

En effet, le système financier, du fait de son haut degré de désintermédiation et de sa dépendance aux décisions de la BCE, échappe en grande partie à la souveraineté populaire. Pire, il devient une arme contre la démocratie : la menace d'un effondrement financier brandie par la BCE et l'Eurogroupe est sans doute aussi puissante aujourd'hui pour faire plier les peuples que ne l'était la menace d'invasion militaire au temps de la Guerre Froide. Il conviendra donc de se protéger contre cette menace en assurant rapidement un contrôle des capitaux et en reprenant la main sur la création monétaire : il s'agit là d'un acte fondateur de désobéissance permettant d'engager le changement en France et en Europe.

Après avoir rappelé en quoi l'application de notre programme économique ne peut s'appliquer avec les traités actuels (partie I), la contribution illustre dans un premier temps l'acte fondateur de désobéissance financière et monétaire, et ses implications économiques et pratiques (partie II). Nous expliquons en particulier en quoi la désobéissance monétaire n'implique pas nécessairement la sortie de l'euro mais enclenche un processus où l'euro n'est déjà plus une monnaie unique. Cette phase transitoire poussera les autres membres de la zone euro à s'adapter au nouvel environnement économique que nous déclencherons, en particulier via le module de paiement de TARGET¹.

Parallèlement à cette désobéissance, nous proposons d'avancer auprès de nos partenaires une proposition alternative : le Partenariat Monétaire d'Equilibre (PME), communément appelé « monnaie commune » et une refonte du marché commun qui introduirait des clauses spécifiques allant dans le sens d'un protectionnisme solidaire (partie III).

Les évolutions possibles entre l'instauration du rapport de force et la renégociation forment en fait tout le plan B, jusqu'à une éventuelle sortie de l'euro. L'UE peut ainsi donner des signes favorables à la renégociation des traités (ce que nous appelons le plan A) dès les premiers mois de notre arrivée au pouvoir, ainsi qu'au principe de Partenariat Monétaire d'Equilibre (monnaie commune) ou proposer à la France de rester dans l'euro avec des dérogations spécifiques (*opt-out*). La France pourrait tout aussi bien être exclue de l'euro-système, ce qui conduirait en réalité à l'éclatement de ce dernier. Pour créer le rapport de force, il faut donc faire savoir dès notre arrivée au pouvoir que nous serons prêts aux deux dernières issues conjointes (*opt-out* et exclusion de l'euro-système) et préparer dès maintenant des mesures qui ne seraient à appliquer que dans cette éventualité (partie IV).

¹ TARGET : système informatique géré et contrôlé par la BCE, qui permet à tous les pays de l'euro-système de faire les paiements en euros entre banques.

I. Notre programme économique ne peut s'appliquer avec les traités actuels

Le plan B résulte d'une exigence de réalisme et de lucidité politique : notre programme économique n'est pas réalisable dans le cadre des institutions européennes actuelles. Il est hors de question de changer de programme, il faut donc désobéir et faire pression pour un changement des traités (plan A). Nous développons ici en quoi des axes programmatiques tels que la relance de l'activité économique, la transition écologique ou encore la révolution fiscale ne peuvent s'appliquer sans contrevenir au moins en partie aux traités actuels.

Toute politique de relance et de redistribution de grande ampleur qui s'interdit l'usage de la politique monétaire, ou néglige son potentiel (les précédents historiques d'Amérique latine ou les tentatives de « transitions socialistes » en Europe de l'Ouest le démontrent) est vouée à l'échec. Ce pour deux raisons principales : d'une part, si un pays relance davantage qu'un autre, il crée des débouchés supplémentaires pour les autres pays, augmentant ainsi les importations et le déficit commercial de l'ordre de quelques points de PIB. D'autre part, la relance peut créer à terme des pressions inflationnistes qui amplifient la formation de déficits extérieurs du fait des différences de niveau général des prix entre pays. Ces déficits de la balance commerciale ne pouvant être compensés par une dévaluation monétaire, leur accumulation conduit à emprunter de plus en plus d'euros auprès des pays à surplus de la zone euro, ou bien à l'étranger. Le pays doit s'engager à rembourser ses emprunts avec intérêts produisant ainsi une dépendance accrue vis-à-vis des prêteurs internationaux (BCE, FMI, etc.) et de leurs conditions de prêts, souvent contre-révolutionnaires (austérité, diminution de la place de l'État, etc.) : le fameux « mur de l'argent » est d'abord une conséquence de l'impensé monétaire, comme l'a montré une fois de plus le cas grec.

Dans le cas français, ce processus prendrait sans doute plus de temps que dans le cas grec dans la mesure où nous disposerions d'un accès (partiel) aux marchés financiers et ne serions pas déjà sous la pression des créanciers institutionnels (BCE, FMI, FESF) qui, dans le cas de la Grèce, avaient pris le relai des marchés. En outre, nous disposerions d'une plus forte marge de manœuvre budgétaire compte tenu du niveau élevé d'épargne nationale. Toutefois, le non-respect de la règle d'or et des exigences de déficit budgétaire imposées par la Commission européenne dans le cadre du TSCG soumettrait la France à des sanctions possibles à la fois du côté de la Commission et du côté de la BCE. Cette dernière pourrait juger l'orientation budgétaire prise par la France non soutenable et restreindre sa politique d'accès aux liquidités banque centrale en direction de nos banques, comme elle a pu le faire à Chypre ou en Grèce.

Outre la question de la relance budgétaire, la transition et la planification écologique contreviennent également au Marché Commun. La transition écologique implique de mettre en place une taxation anti-dumping écologique aux frontières de l'Europe et de la France ainsi que des aides ciblées permettant l'émergence de secteurs de pointe dans l'industrie écologique et maritime. Or, dès 1957 et la signature du traité de Rome, la caractéristique principale de l'espace européen est de s'organiser en zone de libre-échange. Les droits de douane intérieurs sont supprimés (cela est effectif dès 1968) et la fixation de la politique douanière, le tarif douanier extérieur commun est délégué par les États à ce qui va devenir la CEE. Cela signifie que le niveau des droits de douane des produits entrant dans l'espace européen est désormais une compétence relevant de l'entière juridiction européenne, et que cela est protégé par le droit. Les règles de la concurrence s'appliquent aux services tels que les télécommunications, les transports, le gaz, l'électricité, et les aides d'État sont en principe interdites par l'article 87 du Traité

instituant les Communautés européennes. Autrement dit, la mise en place d'une taxe écologique aux frontières ou de subventions ciblées sur l'industrie maritime serait fortement restreinte par les traités.

Enfin, la révolution fiscale, dont l'objectif est la restauration de la transparence et de la justice face à l'impôt, dépend de la capacité de la France à contrôler les flux de capitaux et à lutter contre l'évasion fiscale. Or, la législation européenne en la matière encourage l'évasion fiscale en laissant prospérer en son sein plusieurs paradis fiscaux, dont le Luxembourg qui permet aux grandes multinationales d'échapper à l'impôt. La liberté totale des flux de capitaux et la concurrence fiscale entre États membres ne permettent pas un contrôle efficace de l'évasion, et rendent caduque toute politique de redistribution fiscale de grande ampleur. Faute d'accord sérieux entre la France et ses partenaires, nous serions donc contraints de rétablir un contrôle des flux pour rendre effective notre réforme de la fiscalité et lutter contre le dumping fiscal intra-européen.

Ces trois exemples illustrent la puissance des contraintes européennes auxquelles nous serons confrontés. Nous ne souhaitons pas renoncer à la mise en place de ces mesures, il convient donc d'engager un processus de désobéissance qui nous permettra de récupérer la souveraineté de nos choix de politique macroéconomique. Nous présentons dans la partie qui suit l'acte fondateur du rapport de force et de la désobéissance aux traités, que nous mettrions en place dès notre arrivée au pouvoir.

II. L'acte fondateur du rapport de force : contrôle des capitaux et réquisition de l'outil monétaire

Comme l'indique le texte du Congrès de Villejuif, il faut établir un rapport de force pour négocier simultanément le plan A (c'est-à-dire la renégociation des traités) et, en cas d'échec, imposer le plan B. En effet, négocier un plan A sans avoir pris les premières dispositions urgentes ci-dessous laisserait le temps aux forces néo-libérales du secteur privé et de l'Eurogroupe de nous contraindre en limitant la liquidité de l'économie. Nous présentons ici la liste des mesures d'urgence et transversales (contrôle des capitaux et réquisition de la Banque de France) qui s'imposent d'emblée.

La toute première mesure urgente et transversale est la mise en place du contrôle des mouvements de capitaux, qui va à l'encontre de la libre circulation instituée par les traités. En plus des problèmes juridiques et diplomatiques qu'une telle mesure ne manquerait pas de soulever, nous avons relevé les difficultés suivantes :

- un contrôle des capitaux nécessite une réglementation bancaire stricte et les moyens de la faire respecter,
- il demande des moyens techniques,
- il faut être en mesure de distinguer les flux de capitaux à finalité économique des flux purement spéculatifs et financiers.

La deuxième mesure urgente et transversale est la réquisition de la banque centrale afin de la sortir du contrôle de la BCE. Une telle mesure nous permettrait :

- de retrouver la maîtrise de la liquidité et de la création monétaire,
- de suppléer aux marchés financiers pour le service de la dette²,
- de réorienter les dépenses publiques vers un développement du pays conforme à notre programme.

² En remplaçant les emprunts arrivant à échéance contractés sur le marché obligataire à taux d'intérêt élevés, par des emprunts à taux très réduits auprès de la Banque de France.

- La reprise par la France de sa politique monétaire ne conduira pas à la création excessive de liquidités mais plutôt à leur réorientation. En effet, on voit bien que l'afflux de liquidités provoqué par la politique monétaire de la BCE n'a pas relancé l'économie. Ce n'est donc pas la voie à suivre.

Il conviendra d'approfondir ces deux premiers points à une échelle nationale et européenne, sous tous leurs aspects juridiques et leurs conséquences diplomatiques : clauses dérogatoires, rejet total des traités... Ces premières mesures nous permettront de commencer à appliquer notre programme éco-socialiste, mais déclencheront aussi inévitablement un processus politique européen de redéfinition politique de l'Europe, dans lequel il s'agira d'inclure autant que possible les peuples.

On ne manquera pas de nous opposer que les traités nous interdisent ces mesures. Or, en retour, nous ne manquerons pas d'arguments pour mettre en avant que l'UE elle-même n'a pas respecté ses propres traités et nous nous préparons à la bataille juridique qui s'en suivra. Nous serons notamment prêts à enclencher les procédures d'urgence prévues par les traités permettant l'annulation des actes abusifs de la BCE. Ceci afin de ne pas se laisser asphyxier par ses attaques portées en outrepassant même le pouvoir que lui reconnaissent les traités, comme elle l'a fait en Grèce. Mais l'important restera les actions concrètes que l'UE et l'Eurogroupe penseront devoir prendre.

A ce stade, la France ne décide pas de son propre chef de sortir de l'euro, pour laisser toute sa chance à ce processus. La Commission économie du Parti de Gauche, à la lumière des études qu'elle a analysées³, arrive en effet à la conclusion que revenir à une monnaie nationale sans coordination ni préparation avec des partenaires serait une erreur stratégique. S'il le faut, nous sortirons de l'euro, mais à moyen terme, selon notre calendrier, et selon une préparation qui fait partie du plan B.

La France continuera donc d'utiliser l'euro au début du processus, mais cet euro aura *de facto* changé de nature à la suite de la désobéissance française. Si nos partenaires craignent les effets sur l'euro d'une politique monétaire française indépendante, l'euro-système peut rapidement en protéger sa zone. Cela ne peut donc pas lui servir d'argument pour s'y opposer.

Il suffirait en effet d'une évolution assez rapide à mettre en œuvre dans le module de paiement de TARGET qui consiste à distinguer les flux sortants de France (à l'aide du code pays des BIC, *Bank Identifier Code*, émetteurs et récepteurs), à les échanger normalement et à générer une écriture comptable entre le compte TARGET de la banque émettrice et celui de la BCE, de montant égal à la décote qui serait un paramètre mis à jour quotidiennement. Ainsi, le transfert de 1 000 euros du compte TARGET d'une banque commerciale serait de 1 000 euros, mais le transfert vers une banque étrangère ne créditerait celle-ci que de 950 euros, par exemple. Ce n'est pas vraiment un change, juste une contre-valorisation (« stérilisation ») que la BCE déciderait d'appliquer pour conserver la valeur de l'euro. Les 50 autres euros étant en fait détruits, comme toute résorption de liquidité par la BCE. Ce système sera donc proche de la constitution d'une monnaie parallèle au sein de l'UEM. Il entamera le processus de redéfinition de la monnaie commune que nous souhaitons voir émerger.

³ Heiner Flassbeck et Costas Lapavistas, *The systemic crisis of the euro, true causes and effective therapies*, Rosa Luxemburg Stiftung, Mai 2013.

Francisco Louçã, parlementaire membre du *Bloco de Esquerda*, Portugal : *Conséquences d'une sortie de l'euro*, Espaces Marx, 2012.

Roger Bootle, Capital Economics, *Leaving the Euro : a practical guide*, 2012.

Cette façon transitoire de fonctionner incitera à diminuer les importations, comme le ferait une dévaluation, et conduira très probablement à un abaissement relatif de l'euro par rapport au dollar. Elle permettra à la France de mener sa politique monétaire en laissant la possibilité aux autres pays de se protéger d'une trop forte création éventuelle de monnaie. Ainsi, le rapport de force ne sera pas créé par un retour immédiat à une monnaie nationale mais par la préparation de l'UEM à une transition de politique monétaire, fut-elle pendant un temps exprimée en euros. Les éléments de cette transition sont listés en annexe, sans être davantage détaillés pour l'instant. Ils font l'objet d'un travail en cours au sein de la Commission économie, et que nous proposons de prolonger avec tous les participants au sommet du plan B du 14 et 15 novembre 2015.

III. Proposer une monnaie commune européenne

Une politique monétaire européenne adaptée doit permettre de compenser les différences d'inflation et de croissance entre pays, laissant à chaque État membre de l'Union européenne la possibilité de mener une politique macroéconomique autonome tout en permettant aux autres pays d'en faire de même. Le taux de change n'est plus alors un *objectif* (« l'euro fort ») mais redevient un *instrument* de politique économique, ce qu'il n'a jamais été dans le cadre des traités européens. L'acte de désobéissance consistant à reprendre la main sur la création monétaire sans sortir de l'euro serait un premier pas vers une réorientation négociée de la monnaie unique en monnaie commune. En effet, il conduirait *de facto* à l'instauration d'un euro dévalué en France (ou euro-franc), comme cela a d'ailleurs été le cas à Chypre où les contrôles de capitaux impliquaient qu'un euro chypriote avait une valeur plus faible qu'un euro étranger.

Ce non-retour au franc repose sur l'analyse selon laquelle revenir aux monnaies nationales *via* un retour classique au Système Monétaire Européen (SME) ne permettrait pas d'affronter les enjeux et ce, pour trois raisons principales. Premièrement, cela créerait une incertitude permanente du fait du changement brutal et répété de la valeur de tous les titres, actifs, droits, contrats, libellés en euros (les Français consacrent tout de même plus du quart de leur revenu à l'achat de produits étrangers) par rapport à ceux qui le sont en une autre monnaie. Le SME était marqué par ces chocs de dévaluation successifs car il s'agissait d'un système de change « quasi » fixe dont la défense obligée épuisait les réserves de change. Souvent imprévues par les agents économiques, les dévaluations n'étaient pas planifiées et étaient donc vectrices de risque et d'instabilité. Deuxièmement, le SME encourageait la spéculation : les spéculateurs internationaux anticipaient les dévaluations successives, ce qui conduisait à leur réalisation (anticipations auto-réalisatrices typiques des crises de change des années 90, cf. Georges Soros pour la livre anglaise). Troisièmement, un SME renouvelé ne serait pas une politique vraiment coopérative : les pays de la zone euro auraient intérêt à dévaluer plus ou moins que les autres en réaction aux incertitudes de change de leurs partenaires commerciaux. S'engagerait une « guerre des monnaies » aux conséquences économiques imprévisibles et néfastes.

Nous proposerions donc immédiatement à nos partenaires européens la mise en place d'un « Partenariat Monétaire d'Equilibre » (PME), lequel repose sur une monnaie commune européenne face aux autres devises avec des parités variables entre pays de l'actuelle zone euro. Cette dernière proposition, déjà avancée comme une alternative

sérieuse dès 1983 en sus du débat Delors / Chevènement⁴, va plus loin que la proposition d'Oskar Lafontaine d'un retour au SME avec contrôle des mouvements de capitaux car elle en fait le bilan critique. Le PME répond le mieux par ses critères aux trois problèmes que posait le SME. Il repose premièrement sur un glissement progressif du taux de change (jamais par à-coup) suivant l'inflation, ce qui élimine l'effet d'incertitude des dévaluations brutales successives. Si les taux d'inflation annuels sont de 4% en France et 2% en Allemagne, l'euro-mark doit voir sa valeur en eurofrancs accrue de 2% chaque année. Nous proposons également d'instaurer par une règle commune l'engagement (crédible) à maintenir, par ce glissement, l'équilibre permanent de la balance de base (solde des échanges de biens et services et capitaux de long terme). Cette règle commune, puisqu'elle compense les différences intra-européennes de taux d'intérêt, et les gains et pertes relatifs qu'il y aurait à détenir en capitaux une monnaie plutôt qu'une autre, permettrait d'éliminer la spéculation. Dans la mesure où la balance de base exclut les mouvements spéculatifs de capitaux de court terme (déstabilisants, comme en Grèce ou en Espagne), se focaliser sur celle-ci permet d'éliminer l'effet de ces capitaux sur les parités entre monnaies.

Cette politique est par construction coopérative : quoi que fassent les autres États (leurs actions influencent le taux de change réel d'équilibre), elle constitue la meilleure réaction aux actions des autres. En effet, comme tout déséquilibre d'une balance extérieure (de base ou commerciale) d'un pays correspond à des déséquilibres de sens inverse dans d'autres pays, un pays qui réduit son déficit ou son surplus de cette manière contribue au mieux à l'équilibre des soldes semblables des autres pays. Cette proposition permettrait de limiter le problème du recyclage des surplus commerciaux mis en avant dans l'ouvrage de Yanis Varoufakis *Le Minotaure Planétaire* (2015). Chaque pays européen pourrait mener cette politique monétaire optimale pour lui-même (dans le cadre de la désobéissance, ce serait d'abord le cas pour la France) sans se préoccuper de ce font les autres.

Toutefois, il faudrait que le PME s'accompagne d'une nouvelle banque centrale européenne dont le rôle serait non plus le respect d'une inflation ne dépassant pas les 2% mais de garantir la parité des taux de change *réels* (inflation comprise) entre les monnaies de chacun des pays de la zone, autrement dit de suivre les évolutions d'inflation et de croissance anticipées et de les compenser par glissement du taux de change pays par pays. Il y aurait donc maintien de la parité des *vrais* pouvoirs d'achat et de vente des biens et services des différents pays de la zone, mais également maintien d'une institution supra-nationale devant assurer le respect de cette règle commune.

En plus d'un nouvel accord monétaire, nous proposerons à nos partenaires européens l'entrée dans un cadre commercial plus protecteur du progrès social via notre proposition d'un protectionnisme solidaire. Trois principes guideront ce protectionnisme solidaire : l'autonomie démocratique, la garantie de nouveaux horizons de développement (planification écologique), la justice des échanges (lutter contre toutes les formes de dumping).

Les mesures types devront intégrer le rétablissement d'un véritable service public de la douane, la constitution d'un Fonds de développement social et écologique à partir des produits de taxes compensatrices (différentielles) pour lutter contre dumping, la taxation écologique aux frontières, des droit de douane de 30% à 50% sur la Suisse et le Luxembourg afin de leur faire abandonner leur secret bancaire, le contrôle des flux d'investissements de court terme (dépôt de 20% auprès de la BCE, comme au Brésil), la

⁴ Serge Christophe Kolm, *Sortir de la crise*, 1983.

mise en place de visas sociaux et environnementaux, ou encore la sortie de l'OMC pour refonder un cadre de coopération commercial européen plus proche des principes de la Charte de la Havane de 1947.

IV. Etre prêts à sortir de l'euro

Dans cette première contribution, nous avons choisi de ne pas développer les éventualités les plus favorables de négociation avec L'UE. Les réactions de nos partenaires aux premières mesures d'urgence développées ci-dessus ne sont pas absolument prévisibles : mesurant les conséquences économiques et politiques pour eux d'un affrontement avec la France, il n'est pas impossible qu'ils acceptent en partie le plan A. Il nous paraît toutefois plus urgent d'étudier le scénario le moins favorable, c'est-à-dire celui d'une sortie unilatérale de ce système, symbolisé par l'euro, même si nous ne la souhaitons pas. Nous présentons ici les risques principaux auxquels la France devrait faire face en cas de lourde confrontation.

Le premier risque serait la fermeture brutale de TARGET aux flux français. Cela correspondrait à un « Francexit » provoqué par l'euro-système. Les conséquences économiques pour la France sont difficiles à évaluer sachant que le trafic sur TARGET est totalement dé-corrélé des sous-jacents économiques. En outre, il est tout aussi important de tenir compte du prix à payer pour nos partenaires européens, qui pourrait être dissuasif. La Commission économie est actuellement engagée dans ce travail d'évaluation, en particulier s'agissant de la mise en œuvre de palliatifs à la fois économiques et monétaires. Notons que l'exclusion de TARGET s'accompagnerait en toute probabilité de celle du système T2S⁵ de règlement / livraison de titres qui sera alors opérationnel.

Le second risque majeur serait la fermeture du marché des liquidités aux USA. Les USA pourraient en effet interdire aux filiales américaines des banques françaises ou à leurs correspondants américains de se refinancer auprès de la Réserve Fédérale, ce qui bloquerait les capacités des banques françaises à fournir à leur clientèle d'entreprises les devises nécessaires aux importations. Il s'agit là des deux risques principaux mais nous listons en annexes une liste des autres conséquences possibles dont il conviendra d'évaluer la probabilité.

Ces réactions ne nous laisseraient plus d'autre choix que de sortir complètement de l'euro-système, lequel nous priverait, avec les complicités américaines et du FMI, de l'accès à la liquidité banque centrale. Les conséquences d'un éclatement de la zone euro et d'un retour aux monnaies nationales se feraient particulièrement sentir sur le bilan des banques et des entreprises. S'agissant du bilan des banques, nous nous sommes basés principalement sur deux études⁶, nous permettant de dégager les éléments suivants:

⁵ Le système T2S, en cours de déploiement, remplacera le système ESES qui lui-même avait remplacé en 2009 le système RGV2. Ces systèmes gèrent les transactions notamment d'actions, d'obligations et de dérivés, soit tout le fonctionnement des marchés financiers en euros, en intégrant de plus en plus de pays européens et de type de titres. Ils sont notamment utilisés pour les systèmes de prises de pension de la politique monétaire. T2S introduit la nouveauté d'être intégré à la plate-forme TARGET et donc d'être sous contrôle total de la BCE.

⁶ Jens Nordvig, *Rethinking the European monetary union*, Wolfson Economics Prize 2012.
David Amiel, Paul-Adrien Hyppolite. *Is there an easy way out? Private marketable Debt and its implications for a euro breakup: the case of France*. Cahier de recherche 2015-02. 2015.

- L'impact global sur les bilans bancaires français serait relativement restreint à une perte de 92 mds€ (autour de 4% du PIB). Les pertes seront dans tous les cas absorbables étant donnés les profits annuels des grands groupes.
- Des situations d'instabilité financière et de panique bancaire suivront inévitablement la dissolution de l'euro-système.
- L'exposition au risque de change aura des effets différenciés sur les différentes banques françaises.

Qu'en est-il des conséquences de la désobéissance sur les entreprises ? En effet, dès sa mise en œuvre, les entreprises commenceront à s'y adapter. Il est indispensable d'essayer d'anticiper au maximum leur futur comportement, qu'il soit déterminé par la période d'incertitude créée par l'application de notre programme et le bras de fer que nous mènerons avec les institutions européennes ou également par la sortie de l'euro à laquelle la France aura été potentiellement conduite.

Le contrôle des capitaux aura des effets très forts, mais limités dans le temps. Les plus sévères concernent les moyens de paiement internationaux. Leur résolution dépend quasi intégralement des banques, dont un de leurs métiers est précisément la gestion des flux monétaires et financiers. L'incertitude des investisseurs vis-à-vis de notre politique et de ses conséquences risque par ailleurs de conduire au blocage ou au report d'un certain nombre d'investissements, ce qui peut avoir des conséquences significatives sur l'emploi, comme on a pu le voir à partir de la crise financière de 2008. La consommation sera également impactée : elle bénéficiera de la politique de relance par la demande que prévoit notre programme, mais dans le même temps, dans un contexte de crise, le comportement des ménages risque de se modifier : report des achats de biens durables (automobile, ameublement, logement, etc.), limitation du recours au crédit, etc. C'est-à-dire un effet dépressif antagoniste à celui de la relance par la demande. Par rapport aux difficultés traversées par l'économie française à l'arrivée des socialistes au pouvoir en 1981, une différence est la réactivité pro-cyclique du comportement des entreprises qui réagissent rapidement à la hausse des stocks en ralentissant quasi immédiatement l'activité (baisse du recours à l'intérim, arrêt complet de la production pour vider les stocks, etc.), ce qui, à partir des secteurs de biens durables, risque de propager le ralentissement en aval, puis à l'ensemble de l'économie.

La dévaluation entraînée par une sortie de l'euro aura des conséquences très positives sur la compétitivité-prix des entreprises exportatrices ; elle devra être accompagnée d'un ensemble de mesures encadrant notamment les versements de dividendes pour que la hausse des niveaux de marges permette de favoriser l'investissement et l'emploi et non pas la rémunération des capitaux investis par les actionnaires. Le renchérissement du prix des importations pourra avoir des effets plus négatifs sur une partie des entreprises, qu'il conviendra d'anticiper un maximum, tout comme les évolutions de la consommation des ménages pour réagir à cette hausse du prix des produits importés. A cela s'ajoutera le renchérissement de la dette libellée en droit étranger d'une partie des entreprises basées en France, et qui pourrait avoir des conséquences économiques considérables.

La principale difficulté est d'analyser les potentielles réactions des groupes internationaux sur la durée. L'insertion très forte de nombreuses entreprises dans la mondialisation a entraîné des bouleversements de leur stratégie. De nombreuses filiales ont la quasi intégralité de leurs comptes d'exploitation qui sont issus de flux au sein de leur groupe d'appartenance, par la fixation des prix de transfert. Les évolutions de leur position de trésorerie sont également très difficiles à anticiper car la majorité d'entre-elles fonctionnent en *cash-pooling*, c'est-à-dire avec une centralisation de la trésorerie et de l'endettement au niveau du groupe. Une sortie de l'euro, la dévaluation et

l'ensemble des risques économiques qu'elle entraînera, créera à coup sûr des réactions tant sur la situation bilancielle des filiales françaises que dans la construction de leur résultat comptable. Ces réactions auront des conséquences profondes sur l'emploi.

Dans ces analyses, il faudra garder à l'esprit et préserver les facteurs qui font d'ores et déjà de la France un lieu attractif pour l'emploi de la part des entreprises fortement mondialisées qui y sont présentes. Leur base d'emploi en France ne doit rien ni au hasard ni à un quelconque patriotisme économique - facteur que l'on trouvera parfois dans des groupes peu mondialisés. Elles emploient en France parce qu'elles y trouvent des facteurs de compétitivité hors-prix liés au haut niveau d'éducation et de formation des travailleurs, ou parce que le marché intérieur français est attractif, ou pour d'autres facteurs qui leur sont propres, et qu'il conviendra de prendre en compte le cas échéant. Une dévaluation rendrait cette base d'emploi française *a priori* plus attractive, en tous cas n'a pas de raisons de la menacer directement.

Nous produisons en annexe une liste (non exhaustive) des autres coûts économiques possibles pour la France d'une sortie forcée de l'UEM. Il va de soi que mis à part les spécificités françaises, toutes les nations présentes au sommet internationaliste auront à traiter de ces questions.

V. Annexes

Annexe 1 : Préparer la désobéissance, d'abord sans prendre l'initiative d'un retour au franc

- Contrôle des capitaux : aspects juridiques, dérogation provisoire aux traités.
- Contrôle des capitaux physiques aux frontières
 - Récupération de la souveraineté des douanes françaises
 - Reconstruction du service des douanes
- Contrôle des capitaux en cash
 - Mise en place instantanée des limites de retraits aux guichets et automates bancaires
- Contrôle des capitaux scripturaux
 - Règlementation imposée aux banques
 - Pas de contrôle sur les flux franco-français
 - Définition de critères techniques automatiques d'autorisation de paiement hors frontière.
 - Définir : contrôle a priori ou a posteriori type TRACFIN.
- Réquisition de la Banque de France
 - Contournement de la Loi Bancaire de 1998
 - Possibilité de légiférer par ordonnance ou de réglementer par décrets
 - Modalité techniques de la politique monétaire hors BCE
 - Circuits informatiques des prises de pension, système T2S
 - Maîtrise de l'usine de Chamalières à vérifier (la BCE a-t-elle la faculté technique de la bloquer ?)
 - Memorandum des mesures provisoires pour euro-système
 - Nécessaire contrôle des capitaux
 - Reprise de la souveraineté monétaire et douanière
 - Volonté de rester dans l'euro-système avec ces dérogations
 - Suivi des évolutions de la masse monétaire, mesures palliatives possibles
 - Activité des filiales des banques françaises en Europe et réciproquement

Annexe 2 : Réactions négatives possibles à la désobéissance française

- Fermeture TARGET aux flux français
 - Étude détaillée des conséquences
 - Étude d'impact pour l'économie française
 - Étude d'impact pour l'Allemagne
 - Étude d'impact pour les autres pays
 - Palliatifs et contre-mesures de l'euro-système
 - Capacité de SWIFT à absorber le trafic euro/euro
 - Capacités de l'euro-système à bloquer le correspondent banking euro/euro
 - ✓ Blocage des correspondants
 - ✓ Interdiction aux filiales françaises de se re financer
- Fermeture du marché des changes aux flux français
 - Expulsion des banques françaises du système CLS
 - Fermeture du refinancement en dollar des filiales françaises aux USA par la Fed
- Fermeture de T2S aux flux français
 - Impact sur le marché monétaire français
 - Impact sur l'économie de la fermeture des marchés financiers

Annexe 3 : Liste des points à étudier en cas de sortie de l'UEM

- Nationalisation des banques
 - Motifs

- Faire appliquer la politique économique du gouvernement
 - Combattre l'évasion et l'optimisation fiscales
 - Préparer l'écclatement de l'euro-système
- Mise en œuvre (cf études PG 2012)
 - Retour d'expérience des années 80
 - Préparation en amont de la loi ou ordonnance
 - Définition du champ
 - Modalités de gouvernances
 - Modalités d'indemnisation : échange, cash, obligations...
 - Calendrier, stratégie
- Valeur des dettes et dévaluation
 - Dettes de droit français, dettes de droits étrangers
 - Impacts sur les entreprises internationales
 - Impacts sur les banques
 - Impacts sur les compagnies d'assurance
 - Impacts sur les investisseurs institutionnels
 - Impact sur les fonds d'investissement et fonds de retraite
 - Impacts sur les particuliers, artisans, commerçants.
- Politique commerciale
 - Tableau des importations/exportations par pays
 - Mise en évidence des dépendances
 - Délais de substitution de production nationale
- Système interbancaire
 - Modalités de règlement des soldes du système de compensation CORE (paiements nationaux) en BdF
 - Remise en état d'un système de règlement brut national
- Nouvelle monnaie
 - Valeur d'échange (1 pour 1 recommandé)
 - Régime
 - Monnaie librement convertible à taux de change flottant
 - Monnaie non convertible à taux fixe réglementé
 - Attaques spéculatives possibles : palliatifs
- Fiduciaire
 - Délai de fabrication de nouvelles coupures
 - Dévoiement des coupures euro
 - Suppression du fiduciaire : promotion du porte-monnaie électronique
 - Vie pratique
 - Période transitoire ?

Texte 9. L'analyse de Paul Krugman

[Against Eurotimidity](#)

By Paul Krugman

June 26, 2016

Ce document annexe est une reproduction du billet [Against Eurotimidity](#) de Paul Krugman, paru dans les Opinions pages du *New York Times*, le 26 juin 2016.

I'm on vacation, but want to take a minute to react to this new "consensus" piece on [shoring up the eurozone](#) from Voxeu. The authors really are the best and brightest, economists who have been superb guides to the crisis and in some cases have made material contributions to solving or at least dealing with it. So I'd really like to say nice things.

Unfortunately, I share [Brad DeLong's reaction](#): is this really all they can offer? I understand that in the effort to reach consensus one must trim back the more intellectually daring and politically difficult parts of what an individual economist might propose. But in this case the search for consensus seems to have leached out practically all the substance. I'm not even sure what, in any significant sense, they're proposing that the eurozone do differently.

I mean, they're calling for liquidity support in times of crisis, and I think debt relief if necessary. But that's sort of how Europe is already trying to muddle through. They don't call for fiscal integration; they don't even call for a euro-wide system of deposit insurance. I'm really not sure what they are proposing, beyond neatening up the organization chart.

They allude to the possibility of secular stagnation, which some of us consider a clear argument for fiscal stimulus and higher inflation targets. But all they suggest is ... structural reform, the universal elixir of elites.

The only really new thing I thought I saw was the declaration that the level of expenditure – rather than the deficit – is the main problem coupled with a call for expenditure rules. But where is that coming from? There is no correlation between economic performance in the euro crisis and the level of government spending as a share of GDP — Austria has a big government, Ireland and Spain small ones by European standards. And absent some clear evidence that big G was the problem, why declare that national sovereignty on the size of the public sector must be reduced?

Put it this way: from a macro perspective, Europe is a depressed economy with inflation well below a reasonable target, desperately in need of more demand, with this aggregate problem exacerbated by the problems of adjustment within a single currency. And here we have a manifesto calling for smaller government and structural reform. The authors of the manifesto aren't neoliberal ideologues. So what happened?

Texto 10. Making the Eurozone more resilient: What is needed now and what can wait?

[Resiliency Authors](#)

25 June 2016

Ce document annexe est une reproduction de l'article [*Making the Eurozone more resilient: What is needed now and what can wait?*](#) Publié sur le Vox CEPR Policy Portal le 25 juin 2016.

Britain voted to leave the EU. This is terrible news for the UK, but it is also bad news for the Eurozone. Brexit opens the door to all sorts of shocks, and dangerous political snowball effects. Now is the time to shore up the Eurozone's resiliency. The situation is not yet dire, but prompt action is needed. This VoxEU column – which is signed by a wide range of leading economists – identifies what needs to be done soon, and what should also be done but can probably wait if markets are patient.

The UK's choice to leave the EU was, we believe, a historic mistake. But the choice was made; we must now turn to damage control – especially when it comes to the euro.

The Eurozone is growing, albeit slowly. If all goes as forecast, economic health will eventually be restored, unemployment will decrease, and the periphery countries will regain competitiveness.

But things rarely go as forecast – as we were so forcefully reminded last week. Brexit was the latest – but certainly not the last – shock that will challenge the monetary union.

The question is: Is the Eurozone resilient enough to withstand the bad shocks that it is likely to face in the months and years to come?

For many observers, the answer is “no”. To survive the next bad shock, they argue, Europe's monetary union needs major reform and deeper political integration. As such deeper integration is extremely difficult in today's political climate, pessimism is the order of the day.

We do not share this pessimism. The Eurozone's construction has surely followed a convoluted process, but the fundamental architecture is now in place. Yes, some measures

are needed to strengthen this architecture. And yes, more ambitious steps would improve resilience further, but these will have to wait for a political breakthrough.

The purpose of this essay is to identify what needs to be done soon, and what would be good to do but can probably wait. To avoid the mind-numbing details that often cloud discussions of Eurozone reform, we paint our arguments with a broad brush. (We will follow up with further documents with much greater detail on specific reform proposals.)

On banks and the financial system

Think of a good financial architecture for the Eurozone as achieving two main objectives in coping with another bad shock: 1) reducing the risk of bank defaults; and 2) containing the broader economic effects when defaults do occur.

This architecture is largely built. Both supervision and regulation are now largely centralised. Supervision is improving and stress tests are becoming more credible with each iteration. The Single Resolution Mechanism is in place and private-sector bail-in rules have been defined. The Single Resolution Fund can provide some recapitalisation funds if and when needed. If they turn out not to be enough, the European Stability Mechanism (ESM) can, within the context of a macroeconomic adjustment programme, add more. In the longer term, a euro-wide deposit insurance scheme could improve resiliency, but this will take time.

So what more needs to be done soon? Mostly to make sure that the rules in place can be enforced. Italy provides two cases in point. First, non-performing loans have steadily increased and are carried on the books at prices substantially above market prices. Second, the Italian government has proven very reluctant to apply the bail-in rules. The credibility of the rules is at stake. Either they have to be applied, or credibly modified.

What are the measures that would be good to take, but can probably wait?

Diversifying the portfolios of banks so that there are more resilient to domestic shocks would clearly be desirable. The focus has been on decreasing the proportion of domestic sovereign bonds in banks' portfolios. This would be good, but domestic sovereign bonds represent a relatively small proportion of banks' portfolios. Decreasing banks' overexposure to domestic loans would also be an important step towards boosting resiliency. A different approach would be to transfer the responsibility for banks' rescue from national governments to the ESM. But this is the kind of political step that seems unlikely to be feasible in the near term.

On public finances

Public debt is high, even if, for the time being, low interest rates imply a manageable debt service. Just as for the financial system, a resilient public finance architecture needs to: 1) reduce the risk of default; and 2) contain the adverse effects of default, if it were to occur nevertheless.

On both counts, much remains to be done.

Reducing the risk of default is best achieved through a combination of good rules and market discipline. Neither is really in place. The accumulation of rules has made them unwieldy, unenforceable, and open to too many exceptions. They can and should be simplified. In most countries, the level of expenditure – rather than the deficit – is the main problem. High expenditure makes it difficult to raise taxes and balance the budget, leading to dangerous debt dynamics. Thus, a focus on expenditure rules, linking expenditure reduction to debt levels, appears to be one of the most promising routes. Market discipline, on the other hand, will not work if the holders of the debt do not know what will happen if and when default takes place. This takes us to the second objective.

The Eurozone has put in place the right institution to deal with default, namely the ESM. Like the IMF, the ESM can, under a programme, help a country adjust. In its current form however, the ESM falls short of what is needed. First, the ESM's 'firepower' is too small compared to the sort of shock-absorbing operations it may be called on to undertake in the case of a large Eurozone nation getting into debt trouble. Second, given its current decision-making procedures, markets cannot be sure that action will be taken promptly. Higher funding or higher leverage, and changes in governance such as replacing the requirement of unanimity by a more flexible one, are needed to make the ESM able to respond quickly and fully to a country in trouble. Third, the current structure is silent on who should negotiate a public debt restructuring in the extreme case where one was needed. Putting an explicit process in place should be a priority; the ESM is the natural place for it.

What other measures which would be good to have, but can probably wait?

Initiatives to address the legacy of high public debt would bolster Eurozone resiliency and thus would be very useful. However, as low interest rates are likely for some time to come, debt service is manageable, and debt forecasts show that debt-to-GDP ratios will slowly decline (absent a bad shock). Since proposals for dealing with legacy national debts would require the sort of political willpower that seems in short supply for now, such plans cannot be realistically put on the 'do now' menu, even if they are may be necessary in the future.

Another set of measures would implement stronger risk sharing, and transfer schemes to further reduce the impact of domestic shocks on their own economy. Proposals run from euro bonds to fiscal transfer schemes for countries subject to bad shocks. These measures would make the Eurozone more resilient and thus may be desirable. But, equally clearly, they would require more fiscal and political integration than is realistic to assume at this point. We believe that the Eurozone can probably function without tighter fiscal integration at least for some time.

We end with two sets of remarks.

Solvency and liquidity

Whether it is with respect to banks or states, the two issues facing policymakers are how to deal with solvency and liquidity problems. We have argued that, when solvency is an issue, the ESM is the right structure to address it (assuming a public debt restructuring procedure is in place). With respect to liquidity, we believe that, in addition to the liquidity facilities of the ECB, which can address sudden stops on banks, the Outright Monetary Transactions (OMT) is the right structure to address sudden stops facing states. One step that could be taken soon is a clearer articulation of how to combine the two. This would clarify the role of the ECB, and eliminate a source of criticism about the allocation of roles between the ECB and other Eurozone structures such as the ESM. The resulting clarity would make it easier for markets and investors to be assured that Europe's monetary union could deal effectively with any future shocks.

Structural reforms

In any country, at any point, some pro-growth structural and institutional reforms are desirable. Is there a particularly strong argument for them in the case of the Eurozone? To some extent, yes. The institutional problems of the euro are made worse by low growth, and demographic change. If the structural and institutional reforms delivered higher growth, this would be good by itself – ignoring distribution effects – and it would allow for faster improvement in bank and state balance sheets.

Those specific structural reforms which allow for faster adjustment of competitiveness, be it through faster cost adjustment or faster reallocation, would also improve the functioning of the monetary union. Implementing such reform is a slow and difficult process, but necessary nonetheless. The Eurozone will never be a well-functioning monetary union until it is much more of an economic union as well.

We have stressed that actions need to be taken soon, while others are more long term, but the long-term questions do need to be discussed without delay.